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Telford & Wrekin
Co-operative Council

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Borough of Telford and Wrekin

Business and Finance Scrutiny Committee

Tuesday 20 June 2023

6.00 pm

The Telford Room, Addenbrooke House, Ironmasters Way,
Telford, TF3 4NT

Democratic Services: Kieran Robinson 01952 382061

Media Enquiries: Corporate Communications 01952 382406

Committee Members: Councillors C R Turley (Chair), Z Hannington (Vice-Chair),
A J Burford, F Doran, G Luter, S Syrda, and P Thomas

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6.0	Cost of Living Update	Verbal Report
	To receive a presentation on the cost of living.	

7.0 Chair's Update

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BUSINESS AND FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Business and Finance Scrutiny Committee held on Monday 9 January 2023 at 6.00 pm in The Telford Room, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

Present: Councillors S J Reynolds (Chair), E J Carter, N A M England, J E Lavery, A Lawrence and G C W Latham-Reynolds.

Also Present: Councillor R C Evans (Cabinet Member for Finance, Governance and Customer Services)

In Attendance: M Brockway (Interim Finance Manager), K Clarke (Director: Finance & Human Resources), A Lowe (Director: Policy & Governance), K Robinson (Democracy Officer (Scrutiny)), D Sidaway (Chief Executive), and S Yarnall (Democracy Officer (Scrutiny))

Apologies: Lord Sahota (Councillor) and R Williams (Co-optee)

BFSC1 Declarations of Interest

None.

BFSC2 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting held on 20 July 2022 be confirmed and signed by the Chair.

BFSC3 Medium Term Financial Strategy 2023/24 - 2026/27

The Chief Financial Officer (CFO) presented the report. The presentation set out the position of the Council as it approached the end of the 2022/2023 financial year, followed by an overview of funding streams and savings that had been made since 2009/2010.

For 2023/2024, there was a provisional funding settlement covering one year. This was the fifth consecutive one-year settlement from central government. This was a challenge, such short-term settlements made it difficult to plan ahead. The government had issued policy guidance offering some guidance for 2024/2025 but this guidance did not include figures.

The Committee heard a summary of the proposals contained within the strategy. This was a continuation of the existing strategy. There would be an additional net new investment of over £7.26m in Adult Social Care and £2.5m in Children's Safeguarding. The total net budget for these two areas would be over £100m. Further budget savings of £7.9m were proposed, with the use of

£5.95m of the £6m of reserves that had been released to phase in further budget savings in 2024/2025.

The level of general council tax would be frozen for an additional year; however, the Government's 2% Adult Social Care precept would be applied in the next year. The Council currently has the second lowest council tax of any unitary authority in England. The average council tax at Band D was 15% higher than in Telford and Wrekin. The average council tax bill in Band D in the Midlands was £228 more expensive than in Telford. Council tax is currently the lowest in the Midlands for the services that this Council provides and it was expected this would continue the following year.

Members were informed of details of the medium-term capital programme. These included:

- Over £74m of support for additional Growth Fund initiatives.
- In excess of £70m for the further development of NuPlace and Telford & Wrekin Homes.
- £40m investment for transport and highways schemes.
- £40m for education capital projects.
- Over £20m for housing initiatives.
- £14m for Telford Land Deal projects.

An overview of NuPlace followed. NuPlace provided high-quality, well-maintained homes as a long-term responsible landlord and had delivered 479 homes across ten sites. Since its inception to the end of 2021/2022, it had provided a net incremental income of £7.89m, plus £4m in council tax and New Homes Bonus in total by the end of March 2023. There had been strong capital growth, cumulative growth in the portfolio stood at 29% at the end of March 2022.

As the Section 151 Officer, the CFO had to comment on the robustness of the strategy. The Council had a fifteen consecutive year record of closing within budget and had a strong record of delivering on savings that had been committed to. The strategy contained a good level of in-year contingency at £3.95m for 2023/2024, had allowances of £10.7m for inflation and pay awards, and had a Budget Strategy Reserve of £21.7m. Additionally, the Council had good governance processes which contributed to the strong financial management that had been highlighted by our recent LGA peer review.

Following the presentation, Members posed a number of questions:

With reserves at around 20% of the budget and inflation at 10.7%, reserves could be diminished. Was there any contingency?

The budget for the next year contained the funding that the Council expected to need, accounting for likely inflationary pressures. If inflation was higher than assumed, or in the case of demand pressures, then there was £3.95m of general reserve contingency, which would be utilised first. There was also an additional £21.7m budget revenue reserve but it was not expected that this would be needed. The Council had not overspent in 15 years.

What was the impact of increased interest rates on borrowing? Especially in terms of the refinancing of long term loans.

The Council took advice from Link, the Council's treasury management advisor, and were in regular contact with them. The assumption was that interest rates would be 4.4% for the next year and this had been built in for new borrowing. Much of the Authority's debt was in long-term loans at 2% or below over 50 years. It was not expected that the Council would commit to any new long-term borrowing until 2024/2025; Link's view was that interest rates would come down relatively quickly. For 2024/2025, rates of 3.5% had been built into calculations.

The break even point for NuPlace was, Members thought, below 4.4%, what was the impact of this being below expected interest rates?

NuPlace were charged at 4.4% so if borrowing was at 4.4% there would not be much of a return on that borrowing. However, the Authority sold a range of services to NuPlace and received dividends, paid from profit from the company. The business case worked out and looked at scheme costs and rental yield of sites, if interest rates go up, profitability will decrease. The prediction for Bank of England base interest rates was a high of 4.5% through to the end of the calendar year, falling away to 2.25% by late 2025.

Where were the £11m of savings to come from? Had they already been identified?

These were detailed within Appendix 10 of the report. There would be a consultation process with stakeholders affected by proposals and proposals may change as a result. Given the more than £130m per annum savings made since 2010/11, it had become harder to deliver 'easy' savings and discussions had to take place to determine the requirements of services and communities and to identify ways to minimise and mitigate impacts.

The Committee were informed that there was strong financial monitoring in place across the Council. Actions were taken throughout the year and service areas were regularly reviewed.

Members expressed support for the proposed council tax level and the Authority's relative position compared to other councils in terms of council tax.

A query was raised relating to specific s106 cases. This would be looked at outside of the budget process.

The next meeting was due to be held on 12 January 2023. Members requested this meeting be deferred and a new one arranged at a later date to allow for the submission of further questions.

Upon being put to a vote, it was:

RESOLVED – that the meeting of 12 January 2023 be deferred to a later date in January 2023.

BFSC4 Chair's Update

None.

The meeting ended at 6.45 pm

Chairman:

Date: Thursday 26 January 2023

BUSINESS AND FINANCE SCRUTINY COMMITTEE

Notes of an inquorate meeting of the Business and Finance Scrutiny Committee held on Thursday 26 January 2023 at 6.00 pm in The Telford Room, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

Present: Councillors S J Reynolds (Chair) and G C W Latham-Reynolds.

Co-optee: R Williams

Also Present: Councillor R C Evans (Cabinet Member for Finance, Governance and Customer Services)

In Attendance: M Brockway (Interim Finance Manager),
K Clarke (Director: Finance & Human Resources),
A Lowe (Director: Policy & Governance),
D Sidaway (Chief Executive), and
S Yarnall (Democracy Officer (Scrutiny))

Apologies: Councillors E J Carter, J E Lavery, I Preece and Lord Sahota

BFSC5 Declarations of Interest

None.

BFSC6 Minutes of the Previous Meeting

As a result of advice being given regarding quoracy of the meeting, the minutes of the meeting held on 9 January 2023 were to be confirmed at the next meeting of the Committee. Those present agreed that they were an accurate record of the meeting held on 9 January 2023.

BFSC7 Medium Term Financial Strategy 2023/24 - 2026/27

The Chief Financial Officer opened the discussion, providing a brief overview of the key points from the previous meeting.

Following advice being given regarding quoracy of the meeting, a general discussion took place regarding some aspects of the budget with those present seeking additional information regarding the viability of NuPlace, the progress on job evaluation and the budgetary impacts arising out of that exercise.

The Chief Financial Officer and Director: Policy & Governance provided additional information on these aspects of the budget.

Following the discussion, Members agreed in principle to support the Medium Term Financial Strategy 2023/24 – 2026/27. However, a final decision had to be made by a majority of the Committee – It was proposed that in view of timescales, email consultation would be considered.

BFSC8 Chair's Update

The next meeting of the Committee was scheduled for 9 March 2023.

The meeting ended at 6.29 pm

Chairman:

Date: Tuesday 20 June 2023



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Business and Finance Scrutiny Committee

Tuesday 20 June 2023

Terms of Reference 2023 / 2024

Cabinet Member:	Cllr Nathan England - Cabinet Member: Finance, Customer Services, and Governance
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Kieran Robinson - Democracy Officer (Scrutiny)
Officer Contact Details:	Tel: 01952 382061 Email: Kieran.Robinson@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	SMT – 6 June 2023 Business & Finance Scrutiny Committee – 20 June 2023

1.0 Recommendations for decision/noting:

It is recommended that the Business and Finance Scrutiny Committee:

- 1.1 Review and agree the amended Terms of Reference set out at Appendix A.

2.0 Purpose of Report

- 2.1 To set out the Terms of References for the Business and Finance Scrutiny Committee as outlined in Appendix A.

3.0 Background

- 3.1 The Constitution requires that Full Council should agree at its Annual Meeting the Terms of Reference for each of its Committees to enable the Council to efficiently conduct its business.
- 3.2 At the Annual Meeting of the Council on 25 May 2023, Full Council delegated authority to each Committee to review its own Terms of Reference.
- 3.3 The Terms of Reference forms part of the Constitution and was approved by Full Council in that context on 3 March 2022.
- 3.4 There is one minor change suggested to the Terms of Reference (shown in red on Appendix 1) to provide clarity around the process for appointment of a Chair for the Committee. It notes that the Chair is appointed by Full Council (in line with the Constitution) but sets out that a Vice-Chair may be appointed by a majority decision of the Committee.

4.0 Summary of main proposals

- 4.1 For the Business and Finance Scrutiny Committee to review its Terms of Reference attached at Appendix A to clarify the procedure for election of a Chair and Vice-Chair of the Committee.

5.0 Alternative Options

- 5.1 There are no alternative options arising from this report.

6.0 Key Risks

- 6.1 There are no key risks arising from this report.

7.0 Council Priorities

- 7.1 A community-focussed, innovative council providing efficient, effective and quality services.

8.0 Financial Implications

- 8.1 Scrutiny has a role in ensuring that local government is effective and accountable. This includes undertaking reviews and challenging and monitoring performance. Support for the committee and the work programme are managed within existing resources. The financial implications of any recommendations made by Scrutiny should be considered as part of the specific reports making those recommendations.

9.0 Legal and HR Implications

9.1 The Council's Constitution sets out that the Chair of Committees shall be decided at the Annual meeting of Full Council. Accordingly, the terms of reference for the Committee should mirror these provisions. It is also prescient for the terms of reference to provide clarity on the election of a Vice-Chair for the Committee. Once the Committee has confirmed its terms of reference, the Monitoring Officer will update the Consitution to ensure consistency of the terms of reference of the Committee.

10.0 Ward Implications

10.1 There are no ward implications arising from this report.

11.0 Health, Social and Economic Implications

11.1 There are no health, social and economic implications arising from this report.

12.0 Equality and Diversity Implications

12.1 There are no equality and diversity implications arising from this report.

13.0 Climate Change and Environmental Implications

13.1 There are no climate change and environmental implications arising from this report.

14.0 Background Papers

1 Council Constitution

15.0 Appendices

A Terms of Reference – Business and Finance Scrutiny Committee

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	10/05/2023	10/05/2023	AEM
Legal	10/05/2023	10/05/2023	SH

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BUSINESS & FINANCE SCRUTINY COMMITTEE TERMS OF REFERENCE

Membership

1. The group will be made up of elected members of the Scrutiny Assembly, as appointed at Annual Council in line with the political balance of the Council.
2. The Committee may include Co-opted scrutiny members but they must not exceed 50% of the number of elected members.
3. In addition to standing co-optees, the Committee may appoint additional co-optees for one-off reviews to supplement the skills, knowledge and experience of members of the Committee on that particular issue (subject to the rule on total number of co-optees above).
4. The Chair is appointed at the Annual General Meeting of full Council. A Vice-Chair may be appointed by majority decision of the Committee
5. The quorum for a meeting is 3 elected members.

Functions

6. The Committee will be the main mechanism by which Scrutiny members will scrutinise and monitor issues relating to the following key areas:
 - Service & Financial Planning including Budget and Income Generation, Property Investment Portfolio, Property Management and Revenues
 - Commercial Projects
 - Economic development projects including broadband
 - Skills and employability
 - Support to business and growth sectors
 - Business investment
 - Attracting funding for Telford & Wrekin
 - Partnerships
 - West Midlands Combined Authority
 - Local Enterprise Partnership
 - Visitor Economy including tourism operation and development
 - Pride Programme
 - Workforce issues
 - HCA Land Deal
 - Local Plan (Jointly with Environment Scrutiny Committee)
7. The Committee will set its own work programme. The following points may be taken into consideration when considering the work programme each year:
 - areas where significant change is proposed and the potential impacts
 - performance in areas where significant change has been implemented;
 - areas of financial overspend;

Appendix A

- areas receiving a high level of budgetary commitment;
- areas where there is a high level of user dissatisfaction;
- reports and action plans produced/agreed with external partners;
- areas that are key issues for the public or have become a public interest issue covered in the media.

8. The Committee will consider matters referred by the Scrutiny Management Board, and will exercise discretion as to whether a suggestion falls within the remit of the Committee to scrutinise.

Meeting Administration and Proceedings

9. The Committee procedure rules as set out in the Council's Constitution apply to this Committee.

10. The meetings will follow the principles of scrutiny - ie no party whip will be applied and a constructive, evidence based approach will be used.

11. If the Chair and Vice Chair (if appointed) are unable to attend a meeting the members present will elect a Chair for the meeting.

12. All Scrutiny Committee meetings will be held in public, unless exempt information is being considered or discussed. Scrutiny Committees may appoint sub-groups to carry out investigative work as part of a review and these sub-groups may hold informal meetings but will report back their findings to the Scrutiny Committee.

13. The meetings will be administered by Scrutiny Services and Democratic Services. Meetings will be held regularly and dates will be agreed by the members of the Committee at the start of each municipal year. Members of the Committee may call additional meetings as required to follow up concerns identified in their scheduled meetings or sub-sets of members may form working groups that meet outside the scheduled meetings to investigate specific issues.

14. Relevant Cabinet Members, Executive Directors, Directors and Service Delivery Managers will attend the Committee at the request of the Chair. Representatives from partner organisations may be invited to attend.

Sensitive and Confidential Information

15. From time to time members may become privy to information of a confidential nature. If this happens, members must maintain this confidence. Members are unable to request personal/confidential information from Officers about an individual or family.

Information obtained as a result of membership of the Committee is sensitive and should be treated as being confidential by members.



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Business and Finance Scrutiny Committee

Tuesday 20 June 2023

Business and Finance Scrutiny Committee Work Programme

Cabinet Member:	Cllr Nathan England - Cabinet Member: Finance, Customer Services, and Governance
Lead Director:	Anthea Lowe - Director: Policy & Governance
Service Area:	Policy & Governance
Report Author:	Kieran Robinson - Democracy Officer (Scrutiny)
Officer Contact Details:	Tel: 01952 382061 Email: Kieran.Robinson@telford.gov.uk
Wards Affected:	All Wards
Key Decision:	Not Key Decision
Forward Plan:	Not Applicable
Report considered by:	SMT – 6 June 2023 Business and Finance Scrutiny Committee – 20 June 2023

1.0 Recommendations for decision/noting:

It is recommended that the Business and Finance Scrutiny Committee:

1.1 Review and agree the work programme set out at Appendix A.

2.0 Purpose of Report

2.1 To set the work programme for the Business and Finance Scrutiny Committee.

3.0 Background

3.1 Work programmes for scrutiny committees are reviewed annually, with a period of consultation taking place in the months running up to a new municipal year. The public, key stakeholders, and Council officers are asked to put forward scrutiny suggestions for inclusion on the coming year's work programme.

Business and Finance Scrutiny Committee Work Programme

3.2 Following the consultation period, a draft work programme is presented to the Scrutiny Management Board and the Scrutiny Assembly for comment before being sent on to individual committees for final approval.

3.3 The Constitution states that scrutiny committees are to set and undertake their own programme of work, meeting as required to deliver their work programme.

3.4 Work programmes can be amended throughout the year if the committee or Scrutiny Assembly deem it necessary.

4.0 Summary of main proposals

4.1 The Business and Finance Scrutiny Committee review and approve the attached work programme.

5.0 Alternative Options

5.1 There are no alternative options presented.

6.0 Key Risks

6.1 There are no key risks arising from this report.

7.0 Council Priorities

7.1 This report aligns with the authority's priorities to be a community-focussed, innovative council providing efficient, effective, and quality services.

8.0 Financial Implications

8.1 Scrutiny has a role in ensuring that local government is effective and accountable. This includes undertaking reviews and challenging and monitoring performance. Support for the committee and the work programme are managed within existing resources. The financial implications of any recommendations made by Scrutiny should be considered as part of the specific reports making those recommendations.

9.0 Legal and HR Implications

9.1 In accordance with the Committee's Terms of Reference, the Committee will set its own work programme for the municipal year, will consider matters referred to it by the Scrutiny Management Board, and may make recommendations to Cabinet and Full Council following scrutiny.

10.0 Ward Implications

10.1 There are no ward implications.

11.0 Health, Social and Economic Implications

11.1 This report does not have any health, social, or economic implications.

12.0 Equality and Diversity Implications

12.1 There are no equality and diversity implications arising from this report.

13.0 Climate Change and Environmental Implications

13.1 There are no climate change or environmental implications arising from this report.

14.0 Background Papers

1 Council Constitution

15.0 Appendices

A Work Programme – Business and Finance Scrutiny Committee

16.0 Report Sign Off

Signed off by	Date sent	Date signed off	Initials
Finance	10/05/2023	10/05/2023	AEM
Legal Services	22/03/2023	23/05/2023	KF

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Business and Finance Scrutiny Work Programme 2023/2024

Yellow = New Suggestions

Issue / Topic	Brief Description	Suggested by	Directorate	Comments
Business & Finance				
Cost of Living	To consider the cost of living strategy and the impact the crisis is having on residents and business in the Borough	Carried forward from previous year	Communities, Customer & Commercial Services	Committee Agenda Item June 2023
LEP – Annual Update	To receive an annual update from the Marches Local Enterprise Partnership.	Standing item	External - Marches LEP	Committee Agenda Item Date to be determined
Medium Term Financial Strategy (Budget)	Consultation on draft budget & policy framework proposals published by the Leader and any alternative proposals developed by opposition groups.	Constitutional function	Finance & Human Resources	Committee Agenda Item January 2024
Pride in Your High Street	Reviewing post-Covid recovery and the impact of High Street improvement works and the Pride in Our High Street scheme.	Carried forward from previous year	Prosperity & Investment	Workshop Date to be determined
Housing Investment - Annual Update	To review and consider proposals for the Housing Investment	Standing item	Prosperity & Investment	Committee Agenda Item Date to be determined

	Programme, including key achievements over the last year and the progress of the delivery of the programme.			
Commercial Contract Update	To receive an annual update on the Council's commercial contracts, including waste & recycling and grounds & cleansing.	Standing item	Neighbourhood & Enforcement Services	Committee Agenda Item Date to be determined
Land Deal and NuPlace Update	To receive regular updates in relation to the Telford Land Deal and Nuplace, the Council's wholly owned quality lettings company.	Standing Item	Prosperity & Investment	Committee Agenda Item Date to be determined
Telford & Wrekin's approach to devolution following the Government Announcement on the future of LEPs	To consider Telford & Wrekin's approach to devolution following the Government's recent announcement on the abolishment of LEPs	New – Cabinet	Multiple	Committee Agenda Item Date to be determined
Corporate Grants	To consider the Council's corporate grants, does every pound the Council invests go to the front line	New – Cabinet	Finance & Human Resources Communities, Customer & Commercial Services	Task and Finish Group Date to be determined