

BUSINESS AND FINANCE SCRUTINY COMMITTEE

Minutes of a meeting of the Business and Finance Scrutiny Committee held on Wednesday 27 November 2024 at 6.00 pm in Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Present: Councillors E M Callear (Vice-Chair), N A M England, L Lewis, G Luter and R Tyrrell.

In Attendance: M Brockway (Interim Director: Finance, People & IDT), R Phillips (Registrars, Public Protection, Legal & Democracy Service Delivery Manager) and L Gordon (Mayor & Member Support Officer).

Apologies: Councillors S Syrda

BFSC22 Election of Chair

RESOLVED – that Cllr Nathan England be elected as Chair of the Business and Finance Scrutiny Committee.

BFSC23 Declarations of Interest

None.

BFSC24 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting of the Business and Finance Scrutiny Committee held on 5 March 2024 be noted and signed by the Chair.

BFSC25 Business and Finance Scrutiny Committee Terms of Reference 2024/25

The Service Delivery Manager Registrars, Public Protection, Legal & Democracy presented the draft Business and Finance Scrutiny Committee Terms of Reference for the 2024/2025 municipal year. Members heard that each council Committee had been granted delegated authority to approve their own Terms of Reference at the Annual Council Meeting in May 2024. It was noted that there were no proposed changes.

RESOLVED - that the Terms of Reference set out in Appendix A of the report be approved.

BFSC26 Business and Finance Scrutiny Committee Work Programme 2024/25

The Service Delivery Manager: Registrars, Public Protection, Legal & Democracy presented the draft Business and Finance Scrutiny Committee Work Programme.

RESOLVED – that the work programme for 2024/2025 be approved.

BFSC27 2024/25 Financial Monitoring

The Director: Finance, People & IDT provided Members with an overview of the financial monitoring position for the year, relating to the revenue budget, capital programme and income collection. The report had previously been through both Cabinet and Full Council and the next monitoring report was expected to go to Cabinet a week after the meeting took place.

Members heard that there were extreme pressures facing Councils nationally, due to heightened costs and increased demand, particularly within adult social care. The Director: Finance, People & IDT advised the Committee that inflation continued to be a challenge, as it impacted upon what the council paid its providers. Borrowing rates had also increased to a higher level than assumed in the budget which had led to a £4.89 million overspend. However, Members were informed that contingencies were in place to mitigate this and that the overall the council was within budget for the year.

The Director: Finance, People & IDT informed Members that in addition to the pressures in adult social care there were rising demands for funds for children's safeguarding and school travel assistance. Members heard that these issues were national and expected to continue for the remainder of the financial year. The Committee were advised that the capital programme totalled £102.4m for 2024/25, which included all approvals since the budget was set. Schemes were set in progress and at the time of the meeting the spend was projected to be on budget at year end.

The Committee heard that the income collected in relation to Business Rates was within the target set, while sales ledger and council tax were slightly outside the target set. Ultimately, all debt was to be pursued and will continue to be collected after the end of the financial year, with all appropriate recovery avenues being pursued.

The Director: Finance, People & IDT noted that the Council had an excellent record of managing the budget and that they would continue to work to deliver quality services whilst ensuring a balanced budget.

Following the presentation, Members raised a number of questions.

Did the council have the capacity to fulfil the demand for adult social care services?

The Director: Finance, People & IDT advised the Committee that there was a lot of unknowns but at present the demand was being met.

Due to social changes, rising costs and inflations, the possibility of short term borrowing could not be ignored given the update. Would the Council need to renew short-term borrowing at these potentially higher interest rates?

The Director: Finance, People & IDT responded that short-term borrowing was necessary due to high interest rates. The Council's independent advisors had recommended short-term borrowing to avoid locking in debt at higher rates. Members heard that some borrowing was due for renewal in early 2025, and it was likely that these renewals would be pursued.

When benchmarked against other local authorities, how did Telford & Wrekin Council compare when considering key indicators such as borrowing?

The Committee was advised that the current borrowing rate of the Council was below the unitary average of 9%, at 8.5%, and well below the average nationally, indicating a favourable position.

Were there any upcoming Government settlements expected, or any indications of potential changes since the change in Government in July 2024?

The Director: Finance, People & IDT informed Members that the settlement for 2025/2026 was for one year, with consultations on new proposals to consolidate the grants into one payment. It was noted that the Council were hoping that the Government would move towards a multi-year settlement and indications were that it would at least be a two-year settlement from late 2025.

Was the supply chain regularly checked to ensure it was competitive, as we have seen higher costs for services and maintenance?

The Director: Finance, People & IDT confirmed that compliance with procurement regulations, stating that thresholds dictated how services were put out to tender. For capital schemes, processes were in place to reduce costs, and rates for children in care had been challenged.

There have been significant price increases for schemes compared to 18 months ago. What is being done to ensure value for money in council contracts, could we look at the application of the procurement act?

It was advised that this could be considered as a potential work programme item for this Committee. However, the Service Delivery Manager for SDM: Registrars, Public Protection, Legal & Democracy clarified that the Procurement Act would not apply retrospectively.

Members noted the update and thanked the Director: Finance, People & IDT for their update and for the work of officers to ensure that the council delivers a balanced budget.

BFSC28 Chair's Update

The Chair advised that the next meeting of the Committee was Tuesday, 7 January 2025.

The meeting ended at 6.25 pm

Chairman: _____

Date: Tuesday 7 January 2025