

MEETING:	Overview and Scrutiny Committee - Sustainable Barnsley Workstream
DATE:	Tuesday 13 February 2024
TIME:	2.00 pm
VENUE:	Council Chamber, Barnsley Town Hall

MINUTES

Present

Councillors Ennis OBE (Chair), Barnard, Bellamy, Booker, Bowser, Clarke, Eastwood, Hayward, Hunt, Lodge, Morrell, Moyes, Murray, O'Donoghue, Osborne, Peace, Sheard, Smith, Tattersall, Webster, A. Wray and N. Wright.

24 Apologies for Absence - Parent Governor Representatives

Apologies for absence were received from Ms E Iles in accordance with Regulation 7(6) of the Parent Governor Representatives (England) Regulations 2001.

25 Declarations of Pecuniary and Non-Pecuniary Interest

Councillor Bowser declared a non-pecuniary interest as Cabinet Support Member for Core Services

Councillor Osborne declared a non-pecuniary interest as Cabinet Support Member for Environment and Highways, as a member on the Berneslai Homes Board and a member on the Barnsley Premier Leisure Board

Councillor Tattersall declared a non-pecuniary interest as a member on the Bernelsia Homes Board

Councillor O'Donoghue declared a non-pecuniary interest as an employee of Age UK Barnsley

Councillor Moyes declared a non-pecuniary interest as Cabinet Support Member for Regeneration and Culture

Councillor Lodge declared a non-pecuniary interest as an employee of an organisation that holds a contract with Barnsley Council

Councillor Peace declared a non-pecuniary interest as an employee of the Department for Work and Pensions and the Cabinet Support Member for Children's Services.

26 Minutes of the Previous Meeting

The minutes of the meeting held on 9 January 2024 were received.

27 Medium Term Financial Strategy

The following witnesses were welcomed to the meeting:

- Neil Copley, Director of Finance, Core Services, Barnsley Council
- Steve Loach, Head of Corporate Finance & Business Partnering, Core Services, Barnsley Council
- Wendy Popplewell, Executive Director Core Services, Barnsley Council
- Councillor Robert Frost, Cabinet Spokesperson Core Services

Councillor Frost, Cabinet Spokesperson Core Services presented members with a brief national overview of Local Authority budgets stating that there was an estimated £4billion shortfall in council budgets and that 1 in 5 councils may need to issue a 114 notice in the next 2 years. It was noted that Barnsley was in a sound position and would not be issuing a 114 notice. However, it was acknowledged that rising costs of, and demands for services would not be sustainable and difficult decisions would have to be made for future years to prevent a 114 notice.

Members were informed that the council tax would have to rise by 4.99% with 2% for social care and make £8million of efficiencies to balance the budget.

In the ensuing discussion and in response to detailed questioning and challenge, the following matters were highlighted:-

The Best Value Strategy included a competency framework which sets out detailed financial and commercial skills that members and officers need to have in order to make sound decisions. This is used alongside training toolkits and guidance. In addition learning based on sector failings from up and down the country would be embedded across the Authority to ensure jobs are done properly.

Members were informed that the budget pack included a Plan B contingency which was in place for implementing as there was not always the guarantee that some issues could be transformed or innovated out of if resources were being squeezed. It was acknowledged that there would be some difficult decisions for members to make in order to balance the budget in future years.

There was confidence that although the Council had high levels of debt, they had assets that could back up that debt. The Glassworks, for example, had a cost of £140million from borrowing but that debt could be paid from income streams as well as efficiencies and budget reductions that had been made. This ensures that the debt could be paid back regardless of the circumstances.

Members queried whether in the current climate it would be best to sell assets. It was noted that it costs £30million to maintain, heat, clean and light Barnsley Councils assets so selling or repurposing some of the assets that are not in use would be beneficial. It was recommended that a future Scrutiny Workstream look at the Asset Management Strategy in its totality. Members heard that there would be a number of parts to assessing assets within the community including whether it could be used for a different purpose in the community, how to charge appropriately to contribute to upkeep, making buildings more efficient or when to dispose of assets for best value. Members queried whether it would be possible to know how much the council had lost since some assets had been vacant. This would be provided to members in due course.

Members were informed that a new Asset Management System was being invested in, in order to pool all detailed information from different sources with regards to each asset in one place.

Members queried why markets in different parts of the Borough looked and were charged differently. This information would be circulated to members in due course.

Members were informed that there were no plans to charge for room hire in the Town Hall, but that the commercial aspects of the Town hall were being looked at.

In terms of strategies in place to deal with any unforeseen or unknown expenditures that may arise, there was a Reserve Strategy outlined within the papers which detailed an additional financial resilience reserve of £23million for short term emergency unforeseen events. This was appropriate to the current risk environment that the Council saw itself in.

The Best Value Strategy was in place to ensure that taxpayers money is spent well and there was value for money by providing an oversight and scrutiny of the Framework. The significant cost pressures felt particularly this year had largely been from outside of the Council's control. The cost pressures associated with looked after children was a national problem caused by a broken social care market. A moratorium had been placed on spending and every internal process had been scrutinised as to whether it was essential. Recruitment was scrutinised whether the posts were needed or whether they could be filled by cheaper options such as apprenticeships. The increased difficult financial circumstances were an accumulation of things including a decade of under funding from the Government, post pandemic costs, national issues around social care, homelessness and home to school transport. The Council would have to test itself in what services and IT systems needed to be procured and challenge the organisation in its processes and whether something is necessary from a small process to a large contract. Members were informed that across the board, including the NHS, hard decisions were being made in how to spend and this would only get harder in the forthcoming years. Members were reminded that the Council had received a clean bill of health from the Auditors and value for money report.

Members heard that overall the Council had a budget of £217million in reserves at the beginning of the 2024/2025 financial year, the majority of which was committed to spend.

With regards to IT systems, it was not a case of going out to buy what was being sold, a rigorous investigation into whether the systems the council already had could broadly provide the outcome what was required. Alternatively, could the procedures and processes in place be changed to fit with the systems in place. This would ensure a system with a longer lifespan instead of purchasing a customised more expensive system that could not eventually be supported going forward.

Members were informed that Barnsley had an enviable reputation for being run well financially, and many other Local Authorities had visited to see how things are run. One particular thing attributed to the good running of the financial services was that they take learning from good practices elsewhere, they measure themselves against the CIPFA Financial Management Guide and the Team had analysed and checked

themselves against the Section 114 reports from other Authorities as to what had gone wrong and pulled out what could be improved in Barnsley. Revised Contract Procedure Rules had recently been implemented with improvements from what had been seen happening elsewhere.

The Debt Collection Team had recently won an award as the best team in country, which was a positive indication of the investment in the service and the hard work of the Team. Council Tax debt collections had collection rates of around 96% which benchmarked well against other Councils. In terms of business rates members were informed that these were not significantly high. Other debts included residents' debts from services such as bulky waste and Pest Control and debts from public bodies. Council Tax debts were pursued until it becomes uneconomical, but members were assured the Council does everything they can to collect these debts. In terms of the backlog of court hearings in terms of debt collections post covid, members were informed that these had largely been addressed and this was no longer an issue. Members were assured that everything within the Councils power is done to collect debts in the interest of the taxpayers of Barnsley.

In regards to the £15.5million shortfall predicted within the budget papers, members were informed of the phased plans to address this which could generate around £15million in savings. If the proposed plans were to be delivered in full, the savings could be delivered in efficiencies opposed to budget cuts. Members were informed that there would be risk and uncertainty attached to the proposed plans of delivering cheaper but better services, but that contingency plans were in place.

In regards to the risk around significant costs around children social care, whilst demand was starting to plateau, this was a national issue that the Council could not address. The Council would continue to make sure that children get the right care at the right time, but companies were making excessively high profits on the back of this demand so the risk remained. Members were informed that there would be a Financial Recovery Plan for Children's Services to be published to set out minimising the overspend.

Members queried whether budgets for Area Councils would be affected, they were informed that there were no plans to reduce these budgets.

The Council, in collaboration with NHS Partners and a broad range of strategic partners, were hoping to move some services from Barnsley Hospital into the Alhambra Centre. This would contribute to Barnsley's health and wellbeing offer and alleviate some issues at the Hospital associated with parking and missed appointments. The diagnostic centre within the Glassworks had worked well and people had commented how innovative this approach was. It was thought the Centre would hold more complimentary services than commercial services.

The Council's investment in purchasing Barnsley Football club grounds and stadium was seen as a key strategic asset and any profits made from the lease would be invested into improvements within the stadium.

RESOLVED:-

- (i) that the Asset Management Strategy be added to the Scrutiny workplan;

- (ii) that the witnesses be thanked for their attendance and contribution; and
- (iii) that the report be noted.

Chair