

RESOURCES AND DELIVERING VALUE SCRUTINY BOARD

VIRTUAL MEETING

8 FEBRUARY 2021

MINUTES

Present: Councillors: K Wild (Chairman), T Diccico (Vice Chairman), W Qais, M Gough, M Parker, M Allen, B Groom, J Fairburn and M Brain

Officers: Nick Page, Chief Executive, Solihull Metropolitan Borough Council
Paul Johnson, Director of Resources and Deputy Chief Executive
Sam Gilbert, Assistant Director (Finance and Property Services)
Jenny Wood, Director for Adult Care and Support
Sangeeta Leahy, Assistant Director, Public Health
Linda Wilson, Head of Corporate Property Services
Tracey Ellis, HR Business Manager
Julie Cooper, Head of Financial Operations
Adam Paterson, Finance Manager
Stuart McHale, Children's Services Finance Manager
Andrea Santer, Senior Accountant (Partnerships)
Karen Cranley, Finance Manager Resources SCH & Commercial Manager
Lauren Beach, Managed Growth Finance Manager
Frank McSheffrey, Service Director, Children, Young People and Families
Alan Brown, Assistant Director, Highways and Environment
Tim Browne, Assistant Director, Inclusion and SEND
John Robinson, Treasury and Corporate Accountant
Paul Rogers, Democratic Services

1. APOLOGIES FOR ABSENCE

No apologies for absence were received.

2. DECLARATIONS OF PECUNIARY OR CONFLICTS OF INTEREST

No declarations of interest were received.

3. QUESTIONS AND DEPUTATIONS

No questions or deputations were received.

4. PUBLIC MINUTES

The Resources and Delivering Value Scrutiny Board:

RESOLVED:

- (i) To agree the Minutes arising from the Resources and Delivering Value Scrutiny Board meeting held on 11 January 2021 as an accurate record.

5. BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2021/22 – 2023/24

The report before the Scrutiny Board provided an update on the budget position for 2021/22 and subsequent years and updated Members regarding the Medium Term Financial Strategy and the Capital Strategy.

RESOURCES AND DELIVERING VALUE SCRUTINY BOARD

VIRTUAL MEETING

The Director of Resources and Deputy Chief Executive presented the report for Members and advised that comments were sought from the Scrutiny Board prior to the Full Cabinet meeting scheduled for 11 February 2021, which would receive the Budget and Medium Term Financial Strategy 2021/22 – 2023/24 proposals. All comments received on the Cabinet Portfolio Holders budget proposals as considered by all the Scrutiny Boards were detailed in Appendix B to the report. Trade Unions, local businesses and the Solihull Chamber of Commerce had also been consulted.

Having received the presentation from the Director of Resources and Deputy Chief Executive, Members of the Scrutiny Board raised a number of questions pertaining to the report. In response, Members were advised that:

- Business Rates were set by the District Valuer on the rateable value of the business concerned. Local Authorities had no influence over the process. A Business Rates review had been deferred due to the Covid-19 pandemic, but was expected to be rescheduled after the Chancellors budget on 3 March 2021. The Council continued to support local businesses via appropriate grant funding, which was open to all businesses on application. Members were advised the Council would issue a formal response to the Business Rates consultation at the appropriate time through the Cabinet Portfolio Holder for Resources.
- The Director of Resources and Deputy Chief Executive confirmed that he was satisfied with the budget proposals under the current circumstances arising from the Covid-19 pandemic as signified through the Section 25 Statement. Members were advised that with regard to the MTFS, the final year 3 budget proposals for the MTFS showed that it was a balanced MTFS, founded on an on-going, sustainable basis with no recourse to Council Reserves.
- To continue to mitigate risks, the Council would retain some funding in the Business Rates windfall, although the MTFS was recognised as the best tool to continue to successfully manage and deliver the Council's budget arrangements. There were no significant risks that had not been budgeted for.
- All Budget Reserves were reviewed via the Budget setting process, which involved internal challenge and review of on-going budget pressures.
- Members were advised that in respect of the Multi-Council Material Recycling Facility project, which included approval for prudential borrowing of up to £8.000 million, a further £1.000 million of prudential borrowing to ensure the project delivers its outcomes was being requested. Members were informed that this was attributable to the original project costs having been based on estimates, whereas the latest estimate of funding was more informed having gained project maturity. Members were further advised that the Council would receive a commercial rate of interest on the £9M funding concerned.
- It was confirmed that going forward in future years there would be a dedicated annual Carbon Reduction budget. The current 2025 target figures were established a number of years ago and an annual update could be expected by Members in future years.
- Members were advised that the Council had taken account of Brexit as part of the budget setting and MTFS process. Budget and risk monitoring was

RESOURCES AND DELIVERING VALUE SCRUTINY BOARD

VIRTUAL MEETING

undertaken continually as part of the budget management process throughout the year.

Having considered the report, the Resources and Delivering Value Scrutiny Board:

RESOLVED:

- (i) To note the updated budget position as outlined in the report and pressures and mitigations detailed at Appendix A;
- (ii) To note the comments arising from the Scrutiny Boards as detailed at Appendix B;
- (iii) To note the proposal to create new reserves as outlined at paragraphs 3.13 to 3.18 detailed in the report;
- (iv) To note the draft updated Medium Term Financial Strategy (MTFS) and Capital Strategy, as attached at Appendices C and D to the report;
- (v) To note the fees and charges proposed within each Portfolio and detailed at Appendix F (available online only);
- (vi) To note the recommendation to approve a further £1.000 million of Prudential Borrowing for the Material Recycling Facility project (taking the total from £8.000 million to £9.000 million) as outlined at paragraph 3.28 of the report;
- (vii) To note the recommendation to roll forward the Management Agreement with Solihull Community Housing (SCH) as outlined at paragraph 3.32 of the report;
- (viii) To note the recommendation in respect of the Council's carbon budget, as outlined at paragraph 3.33 and detailed in the report to the Budget Strategy Group attached at Appendix G; and,
- (ix) To note the Strategic Fair Treatment Assessment, as attached at Appendix H to the report.

6. UPDATE ON CORPORATE APPROACH TO DELIVERING AN ASSET MASTERPLAN

The report before the Scrutiny Board updated Members on progress with the Council's key programme, 'a Corporate Approach to Delivering an Asset Masterplan' and the key priorities for implementation of the Strategy. The report was presented by the Assistant Director, (Finance and Property Services).

Members of the Scrutiny Board raised a number of questions pertaining to the report. In response, Members were advised that:

- Approval and viability testing of the Strategy had been secured and first phase implementation had commenced with the Council's office accommodation phase, before proceeding to phase 2. Members were informed that it was very likely that Solihull was the only Council in the West Midlands region to be operating at this time on a service model, rather than a corporate landlord

RESOURCES AND DELIVERING VALUE SCRUTINY BOARD

VIRTUAL MEETING

model. The Corporate Landlord Model was expected to support in the delivery of savings from the Council's property portfolio, health and safety arrangements and relevant data sharing.

- It was expected that the Corporate Landlord Model would lead to greater dialogue with service areas through the Strategic Asset Management Plans (SAMPS) as to how the design of the property portfolio could support service delivery to residents in the borough and to ensure that the available property could serve residents and businesses needs in the best way possible via the SAMPS process.
- The Corporate Landlord Model will ensure the co-ordination and review of health and safety requirements is undertaken, maintenance schedules are observed, that building maintenance budgets are spent and relevant legislation observed and implemented in a timely fashion to ensure on-going legal compliance.
- Members were advised that new Property Information Manager's post was currently being worked up in respect of the duties, responsibilities and demarcation across service areas. It was expected that the role would also entail supporting information and data analysis for future strategy development.
- Regarding the property portfolio's refurbishment and upgrades in relation to supporting the Council's carbon reduction agenda, Members were informed that the Council's corporate approach to managing the property Portfolio entailed assessing longer term viability. Accordingly, planned maintenance works took into account Net Zero objectives and whole life costing issues and life cycles of buildings. For example, work was undertaken to review gas supply arrangements and how alternative energy sources could continue to be made use of. A similar outlook was taken when planning for new development e.g. school expansions. Wherever possible, buildings within the Property Portfolio were fitted with light / motion sensors to ensure light sources were switched off in unoccupied rooms and buildings.
- It was confirmed that review of the Property Portfolio was part of the Corporate Landlord Model, which in effect entailed review of the property performance matrix, carbon footprint, utility costs, building purposes and functions, all of which would go towards determining whether the property asset was to be retained or disposed of.
- In respect of the flexibility of the Corporate Landlord Model and accompanying SAMPS, Members were advised that SAMPS would be produced for each property within the Portfolio and would be kept updated for the needs of each respective service, which in turn would determine which assets were retained and which Council services delivered from them.

Having considered the report, Members of the Resources and Delivering Value Scrutiny Board:

RESOLVED:

- (i) To note the progress made so far with delivering the Asset Masterplan programme;

RESOURCES AND DELIVERING VALUE SCRUTINY BOARD

VIRTUAL MEETING

- (ii) To agree that the progress made in implementing the Asset Masterplan programme was satisfactory; and,
- (iii) To agree to receive further update reports on the Corporate Approach to Delivering an Asset Masterplan at the Resources and Delivering Value Scrutiny Board meetings scheduled for July 2021 and September/October 2021 (subject to confirmation).

The Resources and Delivering Value Scrutiny Board meeting
Closed at 7:23 p.m.