

**CORPORATE AND EXTERNAL ISSUES SCRUTINY
COMMITTEE**

MEETING, 10th FEBRUARY, 2022

Present – Councillors Silvester (Chairman), Veevers (Vice-Chairman), Allen, Connor, Cowen, Jiva, McMulkin, Mistry, Peel, Radcliffe, Walsh, Weatherby and Zaman.

Also in Attendance

Councillor Cox	Leader of the Council
Councillor Dean	Executive Cabinet Member for Stronger Communities
Ms. S. Johnson	Deputy Chief Executive
Ms. H. Gorman	Borough Solicitor
Mr. G. Brough	Director of Place - Development
Mr. P. Rimmer	Assistant Director Revenues and Benefits
Mr. R. Martinez	Head of Community Safety and Neighbourhoods
Mr. M. Burton	Fossil Free GM
Ms. J. Bennett	Fossil Free GM
Mrs. V. Ridge	Democratic Services Manager

Councillor Silvester in the Chair

28. FORMER MAYORESS SHELIA HALL

The Committee observed a minutes silence in memory of former Mayoress Shelia Hall who had sadly passed away.

29. MINUTES

The minutes of the meeting of the Committee held on 13th

December, 2021 were submitted.

Further to minute 27 – question 2, a concern was raised regarding the statement that there was no mechanism for reporting back on the decision taken with regards to City Status and it was felt an item on decision making could be included in a future work programme.

Resolved – That the minutes be signed as a correct record.

30. THE COMMITTEE WORK PROGRAMME FOR 2021/2022

The Borough Solicitor submitted a report which detailed the proposed work programme for 2021/2022.

Resolved – That the Work Programme for 2021/2022 be approved.

31. GREATER MANCHESTER PENSION FUND AND PENSION FUND INVESTMENTS

The Deputy Chief Executive circulated a paper which detailed the Council's financial contributions to the Greater Manchester Pension Fund over the last three years.

Mr. Burton and Ms. Bennett, representatives from Fossil Free GM, then gave a presentation to members which provided information as to why the Greater Manchester Pension Fund should not invest in fossil fuels.

Information was provided in relation to the following, viz:

- The Greater Manchester Pension Fund;
- The Greater Manchester Pension Fund and Fossil Fuels;
- Fiduciary duty;
- A modelling study by Jeremy Grantham on the impact of divestment from 1989 to 2017 which showed that you can divest from oil, or anything else, without much consequence;
- The moral arguments;

- The financial arguments;
- Engagement;
- Just Transition; carbon metrics; and overclaiming;
- A number of reference links;
- What other Pension Funds were doing;
- Organisations which had full divestment;
- Organisations who had partial divestment;
- Organisations which had gone carbon neutrality;
- Organisations who proposed to transfer to Low Carbon Funds; and
- The situation overseas and the Dutch Civil Servants and Teachers fund.

Following the presentation, members made the following comments/observations:-

- An assumption that the Committee were going to scrutinise representatives from the Greater Manchester Pension Fund;
- The primary directive for the Fund was to maximise its return on investments for its members;
- The need to rationalise the risk on investments;
- The use of fossil fuels was declining;
- What powers did the Council have to change the Greater Manchester Pension Fund's investment strategies;
- Disappointment was expressed that the Committee were not able to scrutinise the Greater Manchester Pension Fund and to receive their views on why they invested in fossil fuel companies;
- Could more detail be provided on the map which showed the impact of divestment and that this be sent to the Chairman of this Committee;
- Two of the companies BP and Shell were in the top level of highest performers for environmental, social and governance;
- BP were amongst the top ten for investing in non fossil fuels and alternatives; and
- The council has a duty of care to its taxpayers and pensioners to ensure a good rate of return.

The Borough Solicitor outlined the legal position with regards to scrutinising the Greater Manchester Pension Fund and the Leader of the Council provided a response to the two questions in relation to the work being undertaken by the Greater Manchester Combined Authority and other local authorities within Greater Manchester.

The Chairman also advised members that Cllr Hartigan, the Council's representative on the Greater Manchester Pension Fund, could not attend this meeting due to another commitment, however, he had produced a letter which was circulated to members which outlined his role on the Pension Fund. It was noted that the Greater Manchester Pension Fund were not prepared to answer the questions which had previously been raised by this Committee.

Resolved – (i) That Mr Burton and Ms Bennett be thanked for their very informative presentation.

(ii) That the Chairman of this Scrutiny Committee be requested to write to the Greater Manchester Pension Fund to try and get answers to the questions raised and that the outcome be reported to the next meeting of this Committee.

32. COMMUNITY SAFETY PARTNERSHIP UPDATE

Mr. R. Martinez, Head of Community Safety and Neighbourhoods, gave a presentation which outlined the work being undertaken by the Community Safety Partnership.

Information was provided in relation to the following, viz:-

- The Anti-Social Behaviour Case Review;
- The Anti-Social Behaviour Young Person Pathway;
- The Domestic Abuse theme which included new statutory duties;
- The Hate Crime theme;
- The Greater Manchester Hate Crime Awareness Week which ran from 7th to 13th February, 2022;
- The Prevent Radicalisation theme;
- The Serious Violence theme;

- Wider partnership developments; and
- The Community Safety Partnership Priorities for 2022-2025.

Following the presentation, members made the following comments/observations:-

- the reason for the high increase in case reviews from 2017 to 2019; and
- the need to understand the root cause of domestic abuse in order to address the issues and the need for a pathway.

Resolved – That officers be thanked for their very informative presentation.

33. COVID 19 AND FINANCES UPDATE

The Deputy Chief Executive advised that, since the last meeting, there was no further detrimental impact on the budget due to Covid 19.

Mr. P. Rimmer, Assistant Director of Revenues and Benefits gave a verbal update on the latest position with regards to the Household Support Fund. It was stated that Bolton received £2.78 million with effect from October, 2021 and it was confirmed that funding had to be spent by 31st March, 2022. He provided an overview of the way funding had been spent to date to support Bolton residents and proposed that a full presentation on the allocation of grants be made at the next meeting of this Committee in April, 2022.

Following the update, members made the following comments/observations, viz:-

- the number to ring for advice was not a free phone number which was an issue for some residents; and
- how fraudulent claims had been dealt with by the Council.

Resolved – That the position be noted and that an item on the grants which had been received by the Council to assist

residents and businesses be considered at the next meeting of this Committee on 11th April, 2022.

34. BUDGET REPORT 2022/2023

The Deputy Chief Executive submitted a report which provided members with the following:-

- The consolidation of service budgets to provide the Council's overall 2022/2023 budget;
- Options to inform Council Tax setting for 2022/2023; and
- The Financial Arrangements account for 2022/2023.

Members were reminded that, at the Council budget meeting on 8th February, 2021, a two-year budget was prepared covering the financial years 2021/2022 and 2022/2023 which included a savings target of £36.5 million, £31.6m in 2021/2022 and £4.9 million in 2022/2023, in order to set balanced budgets.

It was stated that the local government settlement for 2022/2023 was a one-year settlement with no indication of local government funding from 2023/2024 onwards. However, it was announced that next years would be a three-year settlement and the key points to note for the 2022/2023 settlement were detailed in the report.

In terms of the savings programme for 2021-2023, members were informed that the additional funding allocations received in Children's and Adults Social Care had provided the opportunity for some of the original savings requirements in those areas to be reduced. As a result, the following changes to the savings targets were proposed, viz:-

Savings and Efficiencies £'000s	Adults	Children's
Transformation of Older Adults and Learning Disability Day Care	965	
Review of staffing in the Adults portfolio	820	
Review of Intermediate Tier provision	500	
Review of all contracts and grants	29	
Review of delivery model of Integrated	87	

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Equipment Stores		
Review of Housing Services – protection of homeless and vulnerable people	130	
Review of staffing within the commissioning and support services		100
Review of resources within staying safe		1,000
Total Grant for S&E	2,531	1,100
Grant towards Fees	369	
Total	2,900	1,100

Furthermore, of the current 2021-2023 savings programme, almost 70% had now been achieved and details of this were provided in the report.

The report also outlined a number of pressures which impacted on the current financial year and 2022/2023.

Members were also reminded that the Council has had to find significant savings over the last ten years which totalled around almost £225 million by the end of 2022/2023. It was also stated that beyond 2021/2022 there were some key funding issues yet to be confirmed which could impact further on the Council which were as follows:-

- Fair Funding Review (FFR) – as part of the 2016/2017 finance settlement it was announced that there would be an FFR of authorities' funding needs, initially to be implemented in 2019/2020. This was subsequently deferred by one year to 2020/2021 and the Brexit debate pushed this further back to 2021/2022. However, the Covi-19 pandemic had now pushed this back further to 2023/2024; and
- Business Rates – the government had announced that from 2023 business rates retention would be 49%, 1% of this being passed to the Fire Authority and 50% to central government. However, this had been deferred to 2023/2024. Furthermore, the business rates reset initially

intended to be implemented in 2021/2022 had also been deferred until at least 2023/2024. As a result this made forecasting business rates beyond 2022/2023 extremely difficult to do. In addition, it was not possible to project what the council could receive in some form of re-distributed grant from any potentially available funds.

In terms of Manchester Airport, members were advised that the Airport trading had started to pick up in the Autumn of 2021 as restrictions were relaxed, but then subsequently worsened as a result of the Omicron variant. There was no intention to pay a dividend in 2022/2023 and loan interest continued to be accrued until payments resume.

The report also provided an updated expenditure forecast for 2022/2023 and 2023/2024. This forecast was based on the assumption that Council Tax would increase by 1.13% for Adult Social Care and 1.99% for the general levy for 2022/2023. It was explained that the level of Council Tax would be determined by the Council at its meeting on 16th February, 2022 following a recommendation from the Cabinet.

In terms of reserves, the council estimated its reserves balance to be £145 million at the end of 2021/2022 excluding the DSG and Collection Fund balances and details of this were provided in the report. Appendix E to the report also provided some information of the implications of not holding these reserves.

Currently it was estimated that available balances as at 31st March, 2022 would be £10.66 million and the Deputy Chief Executive recommended, as a minimum, balances of £10 million or higher should be maintained based upon her understanding of the risks and financial issues facing the Council over the next three years and the proposals around the budget, as identified in the report.

The individual parish precepts were also detailed in the report and as required by the Local Government Finance Act 1982 these needed to be added to Bolton's budget requirement.

With regard to the Mayoral Police and Crime Commissioner

Precept and Mayoral General Precept (including Fire Services), it was explained that this was set by the Greater Manchester Combined Authority. The proposed increases in the Mayoral Precepts, which were still to be confirmed, were as follows:-

- For the Mayoral General (including Fire Services) a £12/13.2% increase; and
- £10/4.6% increase for the Mayoral Police and Crime Commissioner Precept.

It was stated that should the final decisions of the Greater Manchester Combined Authority be different, this would be reported to members at the meeting.

With regard to Business Rates, whilst the Council was part of the Greater Manchester 100% pilot, it should be noted that the Government determined the rates to be collected and had set these at 49.9p in the pound for small businesses and 51.2p in the pound for larger businesses.

In terms of setting the Council Tax, it was explained that based upon the Adult Social Care precept being set at 1.13% for 2022/2023 plus a 1.99% general levy increase for Council Tax for Bolton Council for 2022/2023 (i.e. excluding Parish and Mayoral precepts) this was the equivalent to an additional 63p per week for Band A properties which were more than 40% of the overall tax base. A Draft Substantive Council Tax Resolution was set out in Appendix H to the report.

Members were also advised that the Cabinet at its meeting on 7th February, 2022 agreed the following recommendations to Council at its meeting on 16th February, 2022:-

- (i) The budget for 2022/2023 as set out in the Budget Report.
- (ii) That the Council Tax for 2022/2023 be increased by 3.12% represented by a 1.13% increase for Adult Social Care and a 1.99% general increase.
- (iii) That the Council Tax figures included in the report for the Mayoral Police and Crime Commissioner Precept and Mayoral General Precept (including Fire Services) are the

recommended provisional amounts pending their formal approval.

Following consideration of the report, a discussion ensued with regard to the recent announcement from Government to introduce an energy payment of £150 for all residents in Bands A to D properties. It was acknowledged that this would place a huge burden on officers to get the required information to allow the payments to be made and a debate took place regarding some statements made by politicians that this was a council tax cut. A question was also raised as to what the costs would be for the Council to implement the payments.

The Deputy Chief Executive advised that the Council was still awaiting final guidance on how this would operate and it was intended to include some wording in the council tax leaflets to make residents aware of the payment.

Resolved – That the report be noted.

35. MEMBERS BUSINESS

The Committee received the extracts of minutes of other meetings of the Council relevant to the remit of this Committee:-

- (a) The Cabinet held on 10th January and 7th February, 2022;
- (b) The Executive Cabinet Member Leader's Portfolio held on 7th December and 16th December, 2021 and 17th January, 2022; and
- (c) The Executive Cabinet Member Stronger Communities Portfolio held on 11th January, 2022.

Resolved – That the minutes of the various meetings be noted.

(The meeting started at 6.00 p.m. and finished at 8.25 p.m.)