

SCRUTINY COMMITTEE

13 NOVEMBER 2019

PRESENT

Councillor D. Acton (in the Chair).

Councillors J. Holden, R. Thompson, A.J. Williams, B.G. Winstanley, Dr. K. Barclay (ex-Officio) and J.D. Newgrosh

In attendance

Nikki Bishop	Corporate Director of Finance and Systems
Graeme Bentley	Deputy Director of Finance
Faye Jackson	Social Investment Fund Manager
Alexander Murray	Governance Officer

Also Present

Councillor T. Ross - Executive Member for Finance and Investment

APOLOGIES

Apologies for absence were received from Councillors J. Lamb, B. Shaw, A.M. Whyte and D. Western.

18. MINUTES

RESOLVED: That the minutes of the meeting held 3 July 2019 be agreed by the Committee as an accurate record and signed by the Chairmen.

19. DECLARATIONS OF INTEREST

No additional declarations of interest were made.

20. QUESTIONS FROM THE PUBLIC

No questions were received.

21. TRAFFORD HOUSING TRUST SOCIAL INVESTMENT FUND

The Social Investment Fund Manager from Trafford Housing Trust (THT) gave a brief overview of the report which had been circulated with the agenda. The Committee were informed that the social investment fund had been launched by THT in 2015. Since its inception the fund had been used to support 908 projects totalling £1.7 million and an additional £300,000 had come from the fund for other investments. THT had been working hard since the fund began to reduce the management fees which they had managed to reduce down to around 10%.

A large portion the funds that had been used were in the South of the Borough with less being awarded in the North, West, and more deprived areas. THT were aware of this issue were trying to encourage more applications in these areas.

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There were plans to invest a further £50,000 in children's activities during the year which would help the fund reach £1.8m invested during the year. The target for the fund was to invest £2,000,000 so they were nearly running at target levels after three years.

The Committee were informed that THT had been purchased by LNQ which would result in a large number of properties being developed in the North West as well as more money being invested in the area. Part of the purchase agreement ensured that THT's plans for the area would not change in the foreseeable future.

Following the overview Councillors were given the opportunity to ask questions. One Member asked why so little funding was going to the North and West of the Borough. The Social Investment Fund Manager responded that this was partly due to the level of proactivity in the area compared to other areas. This was also down to groups being based in the South but then delivering projects across the whole of the borough. The Committee Member stated that they felt that the low level of applications may be due to the lack of established groups in the more deprived areas of Trafford. The Member stated that they had looked at the application process and had found it quite arduous. The Social Investment Fund Manager replied that this was a new process and that THT were looking for feedback on how to improve the application process. A redesign of the large application form had recently been completed and video applications were now available for small grants. The Social Investment Fund Manager welcomed the Councillors feedback and asked that they send any comments after the meeting.

The Member then noted that Trafford had a Communities and Partnerships team and asked how much those staff linked up with those from THT. The Social Investment Fund Manager answered that there was a good working relationship in place with Trafford and that THT had mapped their structure on Trafford's neighbourhood model.

Another Member of the Committee asked how residents were to contact THT's community mentors. The Social Investment Fund Manager told the Committee that as this was a community role residents did not contact them rather they went out into the community to find those who normally did not engage.

A Committee Member enquired as to how THT set their priorities for the fund and whether they reviewed them in light of changing demographics. The Social Investment Fund Manager responded that the priorities were originally set by looking at national research by the Joseph Rowntree foundation on how to tackle poverty and inequality. As the fund worked with organisations and residents in Trafford and learnt more about the community they used that local knowledge within the continuous process of re-evaluating their priorities to ensure they were focused to deliver change.

The Chair asked whether LNQ were a non for profit organisation. The Social Investment Fund Manager confirmed that LNQ were a housing Trust similar to THT and that they also had an academy and a foundation which they used to invest in communities. Committee Members raised concerns about the size of LNQ compared to THT and that the combined organisation would be more

focused upon London than the North West. The Social Investment Fund Manager assured the Committee that THT would continue as they had planned to for the next five years and during that time they would continue to grow and focus on Trafford.

RESOLVED:

- 1) That the report be noted.
- 2) That the Social Investment Manager be thanked for attending the meeting.

22. BUDGET PRESENTATION

The Executive Member for Finance and Investment delivered the presentation which had been circulated with the agenda to the Committee. They drew attention to the large levels of spend in adult and children's services and the fact that a significant proportion of those services were demand led services which were high risk as demand could increase unexpectedly.

The Committee were informed that the Council no longer received any money from central government as over the last 10 years that money had reduced to the point where it was no longer part of the budget. The Committee were then shown a slide which depicted how the Council had made savings over the last ten years in order to meet the funding gap. The Executive Member then described to the Committee how the Council was planning to address the gap in next year's budget. The Committee were also informed that the fair funding review, which was a national reset of business rates, had been delayed and so would not be an issue for this budget although it was expected to impact the Council in the years to come.

The Council was on target to achieve the majority of their savings targets for 2019/20 and the presentation included a breakdown of where they were being achieved. The Executive Member gave a brief overview of the Council's investment portfolio to the Committee and the rates of return that the Council was expecting to see. The Executive Member then discussed the remaining gap and how the Council was planning to tackle it.

Following presentation the Committee asked a series of questions relating to various aspects of the budget. One Member asked about the impact of the reduction of government funding on the Council and was told by the Corporate Director of Finance and Systems that when the Council signed up to the 100% business rates retention pilot that took over from the government funding. The Executive Member added that this made the Council more vulnerable to economic changes which had been seen in previous years where a number of large businesses had been closed for refurbishment.

The Chair noted that the fair funding review had been pushed back again and asked how this was calculated. The Corporate Director of Finance and Systems showed the funding pie chart and explained that in the fair funding regime all business rate growth is taken and redistributed across the Country. The Corporate Director added that as Trafford had gained more than most of the

Country in business rates and so the Council would suffer more when the rates were reset.

A Member of the Committee asked what the status of the Council's reserves was. The Executive Member responded that the Council was still operating with low level of reserves and that about £600,000 would be used in order to cover gaps in funding for the 2020/21 budget. The Executive Member added that the reserves would be listed within the Councils budget documentation. The Chair requested the reserve information to come to the Budget Scrutiny Sessions in December.

Another Member asked whether the money that the Council borrowed as part of the investment portfolio was on a fixed rate for the term of the loan. The Corporate Director of Finance and Systems confirmed that the investments were on a fixed rate and that the government had increased the rate which had impacted the Council's purchases in Stretford and Altrincham. The Chair stated that Scrutiny wanted to look into the work of the investment fund to ensure that the Council was making secure investments and minimising potential risks. The Chair then requested that a presentation on the fund be given to the committee at a future meeting as a start to scrutinising the fund.

RESOLVED:

- 1) That the presentation be noted.
- 2) That the Executive Member for Finance and the Corporate Director of Finance and Systems be thanked for attending the meeting.
- 3) That a presentation on the Council's Investment Management fund be given to the Committee at a future date.

23. 2019/20 CORPORATE PLAN Q1 PERFORMANCE REPORT

The Chair presented the report to the Committee and gave Members the opportunity to raise any questions by none were made.

RESOLVED: That the report be noted.

24. TASK AND FINISH GROUP HIGH RISE CLADDING REPLACEMENT

The Chair gave a brief overview of the report to the Committee and highlighted that the work to replace the cladding had started and was due to be completed by April in 2020. A Member of the Committee objected to recommendation 2 of the report as they believed that the reasons given within the report for the delay of the work was not adequate. The Member asked that this remain an item on the Committee's agendas until the work finished.

The Chair then drew the Committee's attention to the section of the report which related to the implementation of sprinklers within Trafford Housing Trusts buildings. A report was due to go to the THT Board in January which gave the Committee an opportunity to write a letter to THT to endorse their implementation within their buildings in the borough. A Member asked whether the implementation of sprinklers and whether it could affect buildings current fire safety procedures. The Chair responded that sprinklers were the gold standard in terms of fire safety.

RESOLVED:

- 1) That the recommendations be agreed by the Committee
- 2) That High Rise Cladding to remain on the Committee's agenda until the cladding replacement is completed.

25. OVERVIEW REPORT

The Chair briefly went over the report with the Committee. The Chair drew Members attention to the update on the Committee's task and finish groups. He informed the Committee that a report provided by an external consultant had gone to the Executive in relation to the One Trafford Partnership and had been decided that further work needed to be done before the Executive could reach a conclusion. Councillor Winstanley gave the Committee a brief update on the progress of the Disability Access task and finish group. The Committee were told that the group were still aiming to complete their work by the end of the municipal year.

RESOLVED: That the report be noted.

The meeting commenced at 6.35 pm and finished at 8.02 pm

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