

Overview and Scrutiny Management Committee

MINUTES OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE MEETING HELD ON 28 JANUARY 2020 AT KENNET ROOM - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Chuck Berry, Cllr Christine Crisp, Cllr Stewart Dobson, Cllr Howard Greenman, Cllr Alan Hill (Vice-Chairman), Cllr Ruth Hopkinson, Cllr Jon Hubbard, Cllr Gordon King, Cllr Pip Ridout, Cllr Tony Trotman, Cllr Stuart Wheeler and Cllr Graham Wright (Chairman)

Also Present:

Cllr John Smale, Cllr Clare Cape, Cllr Jacqui Lay, Cllr Suzanne Wickham, Cllr Bob Jones MBE, Cllr Robert Yuill and Cllr Philip Whitehead

1 **Apologies**

An apology for absence from the Committee was received from Councillor John Smale.

2 **Minutes of the Previous Meeting**

The minutes of the meeting held on 3 December 2019 were received for consideration, and it was,

Resolved:

To approve and sign the minutes as a true and accurate record.

3 **Declarations of Interest**

There were no declarations.

4 **Chairman's Announcements**

There were no announcements.

5 **Public Participation**

There were no questions or statements submitted.

6 **Wiltshire Council's Financial Plan Update 2020-2021 and Medium Term Financial Strategy 2020-2025**

The draft Wiltshire Council Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020-2025 was presented by Councillor Simon Jacobs, Cabinet Member for Finance and Procurement, with support from Deborah Hindson, Interim Director of Finance and Section 151 Officer, along with Councillor Philip Whitehead, Leader of the Council, and the Chief Executive Officers, Alistair Cunningham and Terence Herbert.

The proposals included a 1.99% rise in Council Tax and a 2% Social Care Levy, as well as details of proposed savings of £14.683m required as a result of growth in demand of key services, of which £3.849m are already identified from the budget setting of 2019/20.

Full details of matters raised in discussion would be included in a report appended to these minutes. The report from the Financial Planning Task Group in consideration of the budget was also received and considered.

Topics raised included, but were not limited to, the increase in level of reserves to 5%, achievability of savings, predictions of growth of adult social care and looked after children costs, future changes from central government, previous waste contract delays, climate change, Special Education Need funding, along with other topics as detailed in the appended report.

At the conclusion of discussion, it was,

Resolved:

- 1) **To note the Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020-25 and to refer the comments of the Committee and the report of the Financial Planning Task Group to Cabinet and Full Council for consideration on 4 and 25 February 2020 respectively.**
- 2) **To welcome the Executive's positive engagement with the Financial Planning Task Group in the budget development and monitoring process.**
- 3) **To support the Financial Planning Task Group's continued focus on monitoring the delivery of the savings and efficiencies proposed in this Financial Plan Update (and of any further savings proposed throughout the year).**

7 **Final Report of the Digital Strategy & Implementation Task Group**

The Digital Strategy and Implementation Task Group commenced in January 2016, initially as the MyWiltshire System Task Group before its remit was widened in January 2017 to encompass the council's Digital Strategy. Since its formation the Task Group had looked at a variety of topics, including but not limited to the cultural transformation of the IT service, technology and platform

projects and redesigns of service activity. Interim reports were received from the Task Group on 18 September 2018 and 24 September 2019.

Following meetings with the relevant Cabinet Member and officers, the Task Group determined that its activity had been taken as far as it could and that it was not the most appropriate way to add further value to the council, though it supported continued engagement between Overview and Scrutiny and the Executive in other forms. As such, the Chairman of the Task Group, Councillor Jon Hubbard, presented the final report of the Task Group, recommending it be disbanded.

The Committee thanked the Task Group members and supporting officers for their work, and agreed to explore options for future scrutiny of specific programmes and activity in the future. At the conclusion of discussion, it was,

Resolved:

- 1) **To thank the Task Group for its hard work and contribution to the council's digital portfolio since its establishment in 2016.**
- 2) **To disband the Digital Strategy and Implementation Task Group.**
- 3) **To maintain regular dialogue with the Cabinet Member for ICT, Digitalisation and Operational Assets regarding future scrutiny of this area, and involve the current Chairman of the Digital Strategy and Implementation Task Group in those discussions.**
- 4) **To endorse a scrutiny representative maintaining a position on the Digital Board (or its equivalent), in consultation with the Executive Members for ICT and Digitalisation.**

8 **Forward Work Programme**

The Forward Work Programmes for each Overview and Scrutiny Committee were received, and it was,

Resolved:

To note the updated Forward Work Programmes provided.

9 **Management Committee Task Groups**

Written updates were provided on all Task Groups of the Overview and Scrutiny Management Committee, and it was,

Resolved:

To note the update on Task Group activity provided.

10 **Date of Next Meeting**

The date of the next meeting was confirmed as the extraordinary meeting on 11 February 2020 to consider any proposed amendments to the budget.

The date of the next scheduled ordinary meeting was confirmed as 17 March 2020.

11 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.35 am - 12.15 pm)

The Officer who has produced these minutes is Kieran Elliott of Democratic Services,
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APPENDIX to the Overview and Scrutiny Management Minutes of 28 January 2020

Wiltshire Council

Cabinet 4 February 2020

Council 25 February 2020

Report of the Overview and Scrutiny Management Committee on the Draft Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020-2025

Purpose of report

1. To report to Cabinet and Full Council a summary of the main issues discussed at the meeting of the Overview and Scrutiny Management Committee (“The Committee”) held on 28 January 2020.

Background

2. The meeting of the Overview and Scrutiny Management Committee provides an opportunity for non-executive councillors to question the Cabinet Member with responsibility for Finance and the Chief Executives with the Interim Director of Finance on the draft 2020-21 Financial Plan and medium-term financial strategy before it is considered at Cabinet on 4 February 2020 and Full Council on 25 February 2020.
3. The Cabinet Member for Finance and Procurement, Councillor Simon Jacobs, supported by the Interim Director of Finance and Section 151 Officer, Deborah Hindson, was in attendance along with the Leader of the Council, Councillor Philip Whitehead, and the Chief Executive Officers, Alistair Cunningham and Terence Herbert, to provide clarification and answers to issues and queries raised by the Committee.
4. In addition to the draft Financial Plan update made available on the council’s website on 20 January 2020 and other public events, a briefing from the Cabinet Member open to all elected Members was held on 23 January 2020 and was attended by 44 Members.
5. Details had included:
 - Council Tax to be increased by 1.99% and a Social Care Levy of 2%;
 - Details of the £14.683m savings proposed (of which £3.849m was identified during the 2019/20 budget process, leaving £10.834m to be identified), with a total expenditure of £344.023m;
 - Increase in the level of reserves to 5% over the MTFs period;
 - A 2.7% increase for social dwelling rents
 - The Housing Revenue Account (HRA) budget for 2020/21 to be set at £30.302m expenditure and all service charges related to the HRA being increased to cover costs, capped at £5 per week for those not on housing benefits and garage rents increased by 1.7%.
 - A forecast budget gap of £69.527m for the Medium-Term Financial Strategy period 2021/22 – 2024/25

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Main issues raised during questioning and debate

6. This report is divided into sections relating to each of the Select Committee areas as budget proposals and impacts on services were discussed, before opening up to general queries.

Financial Planning Task Group

7. The report of the Task Group on the budget proposals was received and noted. The report and its comments would be forwarded for attention at Cabinet and Full Council along with the report of the Committee itself.
8. The Committee sought details of some of the points raised in the Task Group report, including the identification of risks when seeking savings, and in particular the new Savings Delivery Group, which would be reporting directly to the Corporate Leadership Team on achieving agreed savings.
9. Business transformation, in particular digitalisation, was highlighted as increasingly important to achieve savings. It was noted that the circa £69m of savings required in the next four years was less than had been achieved in the preceding 4 years, and there was discussion of how transformation of services could allow savings not previously achievable, but also that many simple efficiencies had already been achieved.

Children's Select Committee

10. Clarity was sought in relation to the Dedicated Schools Grant (DSG) where as in 2019/20 there had been an increase in demand in the High Needs Block, for this year of £4.904m. It was confirmed Schools Forum had agreed a transfer of 0.7%, £2.065m, from the Schools Block to support high needs pupils, which would require approval from the Secretary of State. the Council had requested permission to transfer up to 1% of Schools Funding (up to £2.6m) to cover the remaining shortfall for the High Needs block along with £1.300m as a one-off contribution. It was confirmed that the Department for Education had approved 0.8% to contribute to the shortfall from other blocks within DSG. It was also noted by the Committee that Wiltshire remained one of the lowest funded authorities in this area.

Additional details were also sought on future budget pressures and growth in Children's and Families, where it went from £6.596m in 2020/21 to £3.870m in 2021/22, before increasing to £5.211m by 2024/25. This was explained as 20/21 effectively having double growth reinstating some 2019/20 savings.

11. Pressures on cost of providing children's transport of £1.221m was raised, and it was stated this could decrease when arrangements for the expanded school at Rowdeford were in place.
12. The level of savings required from children and education within the bloc which included corporate services and Human Resources was also queried, as well as the £0.675m funding for the Families and Children's transformation programme.

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13. Further queries were made on Special Educational Need (SEN) funding contributions from academies, impacts on services from increases in the living wage, and that circa £4m of the overall £73m savings required in the next 4 years had already been identified, hence the overall figure of circa £69m still to identify.

Environment Select Committee

14. Details were sought in relation to waste contract delivery, as delays had resulted in significant costs in the previous financial year. In response it was stated the council was confident the new household waste and recycling collections would be operational from sometime in March 2002.
15. It was confirmed in response to queries that there were no current plans to end charging for green waste collection, and no government proposals on the subject at present.
16. It was also confirmed that free Sunday parking costs had not been included within the budget proposals.
17. Details were sought on the development of a climate change team within the proposals, and it was highlighted that the team would bring through projects like Carbon reduction funded by capital investment or savings, and that the budget cost was for staffing.
18. Other issues raised included pressures on the libraries service, and it was stated no savings were required, one off growth had been given, but there was a focus on increasing volunteering further and looking at making the service more efficient.

Health Select Committee

19. It was confirmed that the Social Care Levy was able to be included in the budget because central government had not finalised its fairer funding formula which would revise allocations for local authorities, and therefore the amount could change in future once that was resolved, and was for 2020/21 only. It was confirmed the levy was for adult social care.
20. It was stated that approximately 62p out of every pound the council spent was on Adult Social Care and Looked After Children, and as such transformation within Adult Social Care had been responsible for significant savings in previous years and would in future years. The Committee was also interested in monitoring private sector social care for any implications for the council. It also requested a breakdown of how much of the spend was statutory, and how much was discretionary, with a discussion on the preventative effect of discretionary spending.
21. It was noted that there was continued uncertainty as to proposals from central government regarding social care, and that there could be significant changes which could impact upon council proposals, positively and negatively. It was also confirmed in response to queries that the council was in frequent contact with the Clinical Commission Group to discuss operations and financial matters.

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Conclusion

22. To note the Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020-25 and to refer the comments of the Committee and the report of the Financial Planning Task Group to Cabinet and Full Council for consideration on 4 and 25 February 2020 respectively.
23. To welcome the Executive's positive engagement with the Financial Planning Task Group in the budget development and monitoring process.
24. To support the Financial Planning Task Group's continued focus on monitoring the delivery of the savings and efficiencies proposed in this Financial Plan Update (and of any further savings proposed throughout the year).

Councillor Graham Wright

Chairman of the Overview and Scrutiny Management Committee

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30 January 2020

Annex – Report of the Financial Planning Task Group for 28 January 2020

Wiltshire Council

Overview and Scrutiny Management Committee

28 January 2020

Report of the Financial Planning Task Group:

Wiltshire Council Financial Plan Update 2020-21 and Medium-Term Financial Strategy 2020/21-2024/25

The Task Group met with the following to discuss the reports on 23 January 2020:

Cllr Philip Whitehead	Leader of the Council
Cllr Simon Jacobs	Cabinet Member for Finance and Procurement
Alistair Cunningham	Chief Executive Officer (Place)
Terence Herbert	Chief Executive Officer (People)
Deborah Hindson	Interim Director for Finance and Section 151 Officer
Matthew Tiller	Chief Accountant
Lizzie Watkin	Head of Corporate Finance and Deputy S151 Officer

Observing:

Cllr Graham Wright	Chairman, OS Management Committee
Cllr Bob Jones MBE	Vice-chairman, Environment Select Committee
Paul Kelly	Head of Democracy

Issue (page and paragraphs numbers refer to the Budget Report)	Further information / Comments
(Para 16) Social Care Levy	It is assumed that local authorities' ability to collect the Social Care Levy (rising by 2% in 2020-21 only) will remain until Central Government provides an alternative model that makes social care funding sustainable.
(Para 28 table) Climate Change Team	This is a £350k investment to meet the staffing costs of a climate change team, remaining static in subsequent years.
(Para 28 table) External footpaths and cycle paths	The £100k budgeted is to fund staff for identifying and progressing footpaths and cycle paths so that the council can take advantage of Central Government funding expected this year.

<p>(Para 32) Savings Delivery Group</p>	<p>Once established, this will be an officer group to ensure the delivery of savings. An operational group will look at savings delivery plans while a senior board will exercise further challenge. The group will look at business plans behind proposed operational changes to ensure that they are deliverable and will monitor previous year undelivered savings and future years' savings. Delivery of headline savings will continue to be reported via the budget monitoring reports brought to Cabinet and the Task Group, with deliverability RAG-rated.</p> <p>The task group queried whether the group could also be proactive in terms of identifying additional savings opportunities.</p>
<p>(Para 42) Designated School Grant (DSG)</p>	<p>Following the Special Educational Needs (SEN) restructure in November 2019, a challenging recovery plan was approved by Schools Forum on 16 January 2020. Schools Forum also agreed a transfer of 0.7% (£2.065m) of grant from the schools block of funding to support high needs pupils. A formal disapplication request has now been submitted to the Secretary of State to permit this, with approval anticipated. Schools Forum is working with officers on a wide range of plans to reduce the commitment on the high needs block and national lobbying on funding continues.</p> <p>Paragraph 42 will be amended to reflect situation after approval by Schools Forum.</p>
<p>(Para 57) Topping up General Fund Reserves</p>	<p>It was confirmed that the recommendation to adopt General Fund Scenario 3 (representing the largest injection of cash into General Fund Reserves) represents the advice of the Section 151 officer and is intended to retain the council's reserves at the 5% of budget total (currently 4.4%). Wiltshire's reserves are low compared with most comparator authorities, but it remains policy to operate at 'minimum reserves' to maximise the funds available for investment.</p>
<p>(Para 66) Business Transformation</p>	<p>The SAP improvement programme presents enormous opportunities for broad efficiencies, to be fully implemented by 2022.</p> <p>An Head of Organisational Design and People Change has been appointed to ensure that all</p>

	<p>transformation programmes have a strong people focus in order to achieve the necessary cultural change. There may be a benefit in members becoming more aware of how the council successfully drives culture change as part of all service transformations.</p> <p>There will also be more consistent performance management with people held to account for delivery of their objectives.</p>
(Appendix A) Rates Retention	The level has reduced in 2020-21 (£56.6m) due to a technical adjustment. The council has to pay Central Government back a certain percentage if it collects more business rates than originally projected.
(Appendix B) Capital Costs	<p>A breakdown of capital cost projections is set out in paragraph 28 (table).</p> <p>The council expects to invest around £800M in capital programmes across the next 10 years.</p>
(Appendix F para 13) Government funding	An update from Central Government on the Fair Funding Review is not expected prior to the council's 2020-21 budget being adopted. However, announcements are expected later in the year. In deciding the outcomes of the review Central Government will need to consider the potential impact on high need/low rate collecting local authority areas if there was a significant shift towards greater rate retention by collecting authorities.
(Appendix F para 13-15) Business Rates Review	<p>The task group requested more detail about the potential changes to income collections and a sector by sector split of rateable values.</p> <p>There is some risk with projecting business rate receipts from the Ministry of Defence (MOD) because there can be delays to the assessments of MOD assets' rateable values due to security access requirements for assessors</p>
(Appendix F para 17) Interest	In general, Central Government wants to encourage local authorities to invest, but there is no certainty at present in terms of possible changes to local authority borrowing rates.

Police ICT	Following Wiltshire Police’s decision to withdraw from the council’s ICT system (due to national security requirements for police ICT) both parties are negotiating how the expense of the change will be shared. The change will mean a reduction of income to the council, but also a reduction in its costs.
Addressing the funding gap	<p>The 2020-21 budget presents those savings proposals that have already been submitted (by budget holders),challenged and approved. The other savings proposals submitted will continue to be assessed by the Savings Delivery Groups, with bigger savings areas considered by the relevant programme boards.</p> <p>Although it may appear to be the headline figure, the £69M budget gap over four years is significantly less than the total amount of savings achieved over the last four years and is deliverable</p>

Cllr Ian Thorn, Chairman of the Financial Planning Task Group

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