

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

MINUTES OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE MEETING HELD ON 3 FEBRUARY 2016 AT KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Simon Killane (Chairman), Cllr Alan Hill (Vice Chairman), Cllr Glenis Ansell, Cllr Chuck Berry, Cllr Christine Crisp, Cllr Stewart Dobson, Cllr Jon Hubbard, Cllr Gordon King, Cllr Jacqui Lay, Cllr Stephen Oldrieve, Cllr Jeff Osborn, Cllr Tony Trotman, Cllr John Walsh and Cllr Bridget Wayman

Also Present:

Cllr David Jenkins, Cllr Baroness Scott of Bybrook O.B.E, Cllr Allison Bucknell, Cllr Fleur de Rhé-Philipe, Cllr Dick Tonge, Cllr Stuart Wheeler, Cllr Christopher Williams, Cllr Keith Humphries, Cllr Alan MacRae, Cllr Toby Sturgis, Cllr John Thomson, Cllr Roy While and Cllr Philip Whitehead

12 Apologies

Apologies were received from Councillor Howard Greenman.

13 Declarations of Interest

There were no declarations.

14 Chairman's Announcements

There were no announcements.

15 Public Participation

There were no statements or questions submitted.

16 Date of Next Meeting

The date of the next meeting was confirmed as the extraordinary meeting to consider opposition budget amendments on 12 February 2016.

The next ordinary meeting was confirmed as 1 March 2016.

17 **Procedure of Meeting**

Members noted the proposed meeting structure.

18 **Wiltshire Council's Financial Plan Update 2016/17**

The draft Wiltshire Council Financial Plan Update for 2016/17 was presented by Councillor Dick Tonge, Cabinet Member for Finance and Michael Hudson, Associate Director of Finance, ahead of its submission to Cabinet on 9 February and Full Council on 23 February 2016.

Details of proposed investments and savings were outlined within the context of continued reductions in the government revenue support grant to the council, increases in service costs particularly in relation to vulnerable people, as well as the impact of the savings implemented through previous budgets.

The Committee, along with other members in attendance including the Chairman of the Financial Planning Task Group and members of the Executive, discussed the proposed budget, and clarification was sought on several issues from the attending Cabinet Members and Corporate Leadership Team, with full details contained in the report as appended to these minutes. Particular focus was given to service budget proposals, in particular how savings would be achieved, clarification over grant funding for area boards and priority areas for further investment, along with other topics as detailed in the appended report.

At the conclusion of debate, it was,

Resolved:

For the comments of the Committee be reported to and considered by Cabinet and Council.

19 **Urgent Items**

There were no urgent items.

(Duration of meeting: 10.30 - 11.55 am)

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Wiltshire Council

APPENDIX

**Cabinet
9 February 2016**

**Council
23 February 2016**

Special Meeting of the Overview and Scrutiny Management Committee Report on the Draft 2016/17 Budget

Purpose of report

1. To report to Cabinet and Full Council a summary of the main issues discussed at the special meeting of the Overview and Scrutiny Management Committee held on 3 February 2016.

Background

2. This special meeting of the Overview and Scrutiny Management Committee provided an opportunity for non-executive councillors to question the Cabinet Member for Finance and the Associate Director for Finance on the draft 2016/17 budget before it is considered at Cabinet on 9 February 2016 and Full Council on 23 February 2016.
3. The Cabinet Member for Finance, supported by the Associate Director of Finance, were in attendance along with the Leader of the Council and members of the Executive and Corporate Leadership Team to provide clarification and answer queries raised by the Committee.
4. In addition to the Budget Papers as available on the website, a briefing from the Cabinet Member open to all members was held on 2 February to provide key details on the Financial Plan. The same briefing was provided as public events held in Trowbridge, Salisbury, Chippenham and Devizes.
5. Details had included:
 - Council Tax to be increased by 1.99%, plus a 2% Social Care Levy.
 - The continuing reductions in grant funding from central government, being 16.3% for the next financial year.
 - Increases in investment for the most vulnerable, older and young people.
 - Details of service changes required to achieve the £25.254m savings proposed.

Main issues raised during questioning and debate

6. The Chairman invited the Chairman of the Financial Planning Task Group and the Select Committee Chairmen to lead off discussion, with a focus on budget proposals and their implications for services, before opening up to general queries.

Financial Planning Task Group

7. The Chairman of the Financial Planning Task Group noted the work of the Task Group in tracking key spends for the council over the course of the financial year,

and detailed the comments from the Task Group following their meeting with the Cabinet Member for Finance on 29 January, as included as an annex to this report. The Cabinet Member thanked the Task Group for their work across the year.

8. The Committee also discussed the proposed rise in Council Tax and introduction of a Social Care Levy, noting that the levels of debt due to non-payment of these should be periodically reviewed by the Financial Planning Task Group.

Health Select Committee

9. The Committee noted the high proportion of older Wiltshire residents and the focus therefore given to health services and social care in the budget.
10. The level of savings required of 'Other Public Health and Public Protection' were raised, in respect of delivering prevention schemes.
11. The need for continued close working with partners such as the Wiltshire Clinical Commissioning Group (CCG) to drive integration and identify efficiencies and improvements was noted.
12. In response to queries on whether potential procurement savings within the health budget had been investigated, it was stated it had, but that many contracts had seven year terms and were currently in the middle of their operational periods.
13. The Committee sought expanded details of the proposed savings under 'Adult Social Care Operations' as outlined in the budget book. The Cabinet Member for Health and Adult Social Care, Councillor Keith Humphries, stated he would circulate a detailed breakdown of the proposed savings to the Health Select Committee.

Children's Select Committee

14. The Committee discussed the increased pressures upon Children's Services, such as the impact of Special Guardianship Orders, which offer an option for children needing permanent care, increasing to just over 200 young people. It was recognised that taking into account the totality of the service there was an increase in funding, although around £3.6M in savings had been identified.
15. It was noted that in the past the Children's Select Committee and Safeguarding Children and Young People Task Group had expressed concern at the level of dependency upon agency workers, and that significant savings had been identified with the reduction in that dependency.
16. A commitment to reducing the numbers of Looked After Children in residential or out of county placements was detailed. Increasing the proportion of placements within Wiltshire and with foster carers would provide savings as well as typically being beneficial for the young people.
17. In response to queries arising from the report, it was stated that there would be further updates to clarify the separation between Area Boards' locally held young people's funds and Local Youth Network (LYN) grants, as requested by the Financial

Planning Task Group. Further clarification on this matter would be presented to Cabinet and Council.

18. The Cabinet Member for Communities, Campuses, Area Boards and Broadband also confirmed that all Area Board grants would face a reduction of 10% in the proposed budget, but that any unspent LYN grant funds would be carried over to the next financial year. The Committee welcomed the clarification, as this would enable those in receipt of grants to plan accordingly for future years.
19. Other topics discussed included pressures on Special Education Needs and Early Years Grant Funding, and how the council would manage the market to ensure the level of provision of free child care as set out by central government.

Environment Select Committee

20. The Committee assessed details of the Highways and Waste budgets, and in particular the need to monitor both closely given the new contracts that had been put in place for both service areas. The Cabinet Member also clarified new wording in respect of the report of the Financial Planning Task Group's report comment on Highways. The amended wording is reflected in the appended Task Group report.
21. Details were sought on economic development in respect of the Local Enterprise Partnership and associated planned capital programme expenditure. It was stated there had been no reduction, but that some funding had been spread over several years to match when the projects would be delivered,.
22. The Committee sought details of the impact of the proposed budget on housing and rents and other associated issues. It was stated these issues had been raised and answered at the meeting of the Wiltshire Council Housing Board on 25 January and the minutes would be circulated to the Committee.
23. The level of public health grant allocated for leisure services was discussed, and it was confirmed that those areas currently without a bricks and mortar health and wellbeing centre (formerly campus) would not be excluded from those funds.
24. The predicted increase in income from Planning was noted as well as the need to ensure that any savings through efficiencies and restructuring would not affect the council's capacity to achieve the predicted increase in income.
25. Other topics raised included details of service savings and potential staff reductions in Enforcement. It was clarified these were vacant posts that would not be filled, and not therefore a further reduction in the current level of enforcement activity.

General Enquiries and Observations

26. The Committee noted that a schedule of all amendments to the budget papers would be presented to Cabinet and Council to track any alterations before and after its own deliberations.
27. The Committee encouraged the Select Committees to continue to monitor the progress of service areas within their remits.

28. Other topics raised included reiterating the requirement for all proposals and amendments to take into account the key priorities of the council's Business Plan, and the progression of negotiations in respect of delegation of council assets and services to Salisbury City Council, and it was stated that any delays to this process would not have an impact on the predicted budget for the next financial year.

Conclusion

29. That Cabinet and Council take into account the comments from the Overview and Scrutiny Management Committee and the Financial Planning Task Group in considering the update to the Financial Plan 2016/17.

Councillor Simon Killane Chairman of the Overview and Scrutiny Management Committee

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Annex 1- Report of the Financial Planning Task Group

Overview and Scrutiny Management Committee

3 February 2016

**Report of the Financial Planning Task Group – 29 January 2016:
Financial Plan Update 2016/17**

Issue	Response / Comments
(page and paragraphs numbers refer to the Budget report)	
Budget Setting Process	
Budget setting process for 2016/17 <ul style="list-style-type: none"> • Public consultation • Financial Planning Task Group 29 Jan • Councillor briefing 2 Feb • OSMC meeting 3 Feb • OSMC meeting 12 Feb (opposition budget) 	<p>A robust approach over several months involving the political and corporate leadership.</p> <p>The outcome from three stages of scrutiny should mean that full Council is informed when it comes to the debate.</p>
Revenue Budget 2015/16	
<p>(Page 7)</p> <p>The 2015/16 revised revenue budget of £314.983 million is forecast to be balanced (para 3.2)</p> <p>The capital, Housing Revenue Account (HRA) and schools budgets are also on target to be balanced (para 3.3)</p>	<p>The Task Group will scrutinise the final outturn figures once available.</p>
Specific budget areas 2016/17	
<p>(Page 8)</p> <p>Action 2 - Stimulate economic growth: “The budget continues the commitment to invest in growing and protecting our economy, with £0.582 million in 2016/17 invested in continuing the support for Action Wiltshire.”</p>	<p>It was noted that the Economy and Planning budget line (page 48) shows a reduction of £0.590M from 2015/16.</p> <p>This breaks down into £0.316M savings from ‘Employees’ and ‘Supplies and Services’ and a £0.263 increase in Gross Income.</p>

<p>(page 9)</p> <p>Action 3 – Area Boards and working with communities</p>	<p>The cabinet member confirmed that the one-off young people’s funds held by Area Boards (sometimes known as Locally Held Funds) will not be touched. For unspent annual Local Youth Network (LYN) grants only funding for specific projects can be carried over to the new financial year.</p> <p>Further clarity will be provided at OS Management Committee on 3 February.</p> <p>Members requested greater accounting separation between these two funding streams.</p>
<p>(page 15)</p> <p>Better Care Plan “Locally Wiltshire’s Better Care Fund has been uplifted by £0.9 million, however the budget for the £28 million is still being finalised. We have thus assumed £10.277 million allocated in 2015/16 will continue to be allocated to Wiltshire Council in 2016-17.”</p>	<p>It was noted that the final Better Care Fund allocation would be discussed at the Joint Commissioning Board on 4th February.</p>
<p>(page 15-17)</p> <p>Social Care Levy “this report proposes that the Council implement this new Levy for 2016/17 at 2%.” (para 6.12)</p> <p>Council tax “this report recommend a 1.99% increase in the Council Tax for 2016/17. (para 6.13)</p>	<p>No increase in debt due to non-payment of council tax has been assumed against the proposed 1.99% council tax rise and 2% social care levy. The council has good protection systems in place, a very high proportion of direct debits for council tax and one of the highest collection rates in the country (over 18 months). In addition currently no local economic factors point to a significant downturn in residents’ ability to pay. For example, Wiltshire has a high employment rate.</p>
<p>(page 18)</p> <p>Government Funding – Future Years’ negotiation “the Secretary of State invited councils to approach DCLG to negotiate settlements with the potential for greater retention locally of business rates (NNDR), although on the understanding of greater responsibilities... Regular updates will be given to Council.” (para 6.17)</p>	<p>Further announcements on the final DCLG settlements are expected on 4th February.</p> <p>The Financial Planning Task Group requests to be kept informed on the outcomes of negotiations and will report back to the OS Management Committee.</p>

<p>(page 19)</p> <p>“Overall the pressures of £24.965 million will be funded in part by the additional £11.559 million raised by Council Tax and £4.322 million from the 2% Social Care Levy. That leaves a gap of £9.084 million.” (para 17.3)</p>	<p>It was clarified that the £11.559M refers to additional council tax income, and a further £4.322M from the 2% Social Care Levy.</p>
<p>(page 20)</p> <p>Adult Social Care See table</p> <p>Savings summary table £3.837M saving are to be found from ‘Older People’</p>	<p>The £1.4M increase in the cost of ‘forensic mental health’ cases is due to an increase in the number of cases and a greater onus on providing care services.</p> <p>It was reported the proposed savings were realistic with delivery of initiatives to reduce the use of expensive residential care, including HomeFirst, Help To Live At Home and Extra Care.</p>
<p>(page 22)</p> <p>Highways “The county highways network and street scene services are a priority. The ability to attract inward investment for a thriving economy and to ensure citizens and residents live and work in well maintained private and public space means that we will increase expenditure by £3.350m.” (para 7.9)</p>	<p>“the growth in the Highways budget is to reverse some of the reductions that have been made over last few years and to enable previously reported increase in future costs following the introduction of the new contract for Highways and Streetscene.</p>
<p>(page 22)</p> <p>Waste “The County has seen on average a growth in its residential properties by 2% each year for the last three years. It forecasts that this will continue into 2016/17. Whilst individual houses can be added to rounds, where whole estates are being developed and sold this creates added pressures and needs for new bins and rounds, as well as costs of disposal. As such the Council has estimated it needs to divert £0.900m of monies raised from Council Tax to Waste services to fund this growth, so that there is a direct link between income raised and costs incurred.” (para 7.10)</p>	<p>It was reported that reviews to waste collection rounds, extra income from garden waste fees and other income streams such as third party subsidies would contribute to the proposed net savings of £0.505M (see Service Budget Summary page 48).</p>

<p>(page 23)</p> <p>Housing</p> <p>“An extra £250,000 has been identified to assist with the funding of deposits and offers to private landlords to secure suitable alternative accommodation as well as with our homeless prevention work to better manage the increased workloads and support that housing officers will need to provide to those households impacted by Welfare Reform.” (para 7.14)</p>	<p>The £0.250M has been included to reflect an increasing risk of homelessness due to the impacts of Welfare Reform.</p> <p>Further details of how these funds would be used and managed were requested for the OS Management Committee meeting.</p>
<p>(page 25)</p> <p>Other pressures</p> <p>“Increased demand has an impact on ‘back office’ services through increased costs, for example additional legal / advocacy for child protection... As a result additional funding has been directed to Legal (£0.4m)” (para 7.17)</p>	<p>Previous years have seen increased demand for legal services due to rising numbers of court cases and reduced income due to a national challenge to the charging of land search fees.</p> <p>The proposed investment will provide a prudent level of in-house legal advice and reduce the need to pay for external legal advice.</p>
<p>(page 25)</p> <p>Fees and Charges</p> <p>“Exceptions to this are for Garden Waste where a 5% increase is proposed.” (para 8.2)</p>	<p>The Waste Service Changes Task Group is looking at the impact of the introduction of fees for garden waste collections and will now need to consider the 5% increase if agreed.</p>
<p>(page 26)</p> <p>Capital Programme borrowing</p> <p>“The total 4 year [capital] programme thus requires circa £100.164 million of borrowing ... borrowing in 2016/17 has been reduced to just £1 million. There is an assumed £99.164 million over the following three years at this stage (2017-20)...</p> <p>...The total capital financing budget in 2017/18 is anticipated to be around £26m or circa 8% of the Councils net budget, up from 5% in 2014/2015.” (para 8.7)</p>	<p>The levels of borrowing projected are included as a cost pressure under future years’ calculations.</p> <p>Interest rates will continue to be monitored to determine the appropriate times to borrow.</p> <p>The task group will continue to monitor the council’s levels of borrowing.</p>
<p>(page 32)</p> <p>Savings</p> <p>Voluntary Sector grants</p>	<p>As was already agreed in 2014, Voluntary and Community Sector (VCS) grants will be reduced by 10% for the second year running. All funded VCS groups were written to and advised of this 2-year reduction.</p>

<p>(page 38)</p> <p>General Fund Reserve “...the current forecast outturn is circa £10 million. This means the General Fund Reserve is in line with the revised recommended level, and future use of these funds are seen as a matter of last recourse given the low levels compared to other councils.”</p>	<p>The task group noted that the council has low levels of reserves compared to other councils and will continue to monitor this as a risk.</p>
<p>(page 38)</p> <p>11. Assessment of Reserves See table</p>	<p>The task group noted that proposal to add £1M to the General Fund Reserve (GFR) in 2018.</p> <p>It was reported that at present the council carries the risk for any potential decrease in the collection of Business Rates and until the future position is known it has been considered prudent to plan an increase in the funds held in reserve.</p>
<p>(page 48)</p> <p>Service Budget summary See table</p> <p>Other Public Health & Public Protection in Public Health and Protection: 2016/17 £2.904M budget reduced by £0.398M.</p> <p>Early Help in Operational Children’s Services are asked to save £0.504M</p> <p>Library Heritage and Arts shows a reduced budget from £3.671M to £2.912M = £0.759M reduction.</p>	<p>These proposed reductions to 2016/17 budgets would be achieved mostly through staff restructuring.</p> <p>These proposed reductions to 2016/17 budgets would be achieved mostly through staff restructuring.</p> <p>Of the £0.842M proposed savings from Libraries, Heritage and Arts, £0.547M would be from ‘Supplies and Services’.</p>

Cllr Glenis Ansell, Chairman of the Financial Planning Task Group

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