

OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

MINUTES OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE MEETING HELD ON 10 OCTOBER 2016 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Simon Killane (Chairman), Cllr Glenis Ansell, Cllr Chuck Berry, Cllr Christine Crisp, Cllr Stewart Dobson, Cllr Howard Greenman, Cllr Jon Hubbard, Cllr George Jeans, Cllr Jacqui Lay, Cllr Tony Trotman, Cllr John Walsh, Cllr Bridget Wayman, Cllr David Jenkins (Substitute), Cllr Paul Oatway QPM (Substitute) and Cllr Mark Packard (Substitute)

Also Present:

Cllr Dick Tonge

86 **Apologies**

Apologies were received from Councillors Alan Hill, Gordon King and Steven Oldrieve, who were substituted by Councillors Paul Oatway QPM, Mark Packard and David Jenkins respectively.

87 **Declarations of Interest**

There were no declarations.

88 **Chairman's Announcements**

There were no announcements.

89 **Public Participation**

There were no questions or statements submitted.

90 **Medium Term Financial and Efficiency Plan 2017-2020**

At its meeting on 6 September 2016 the Committee had been informed of the need for the Council to respond to the government's offer of a four-year funding settlement by the end of October 2016. The Committee had requested the Financial Planning Task Group scrutinise the proposed medium term financial plan ahead of consideration by Cabinet on 11 October 2016 and Council on 18 October 2016. The proposed settlement would provide the council with a four year offer on its funding settlement in place of the current annual arrangement, and require provision of an efficiency statement detailing to the government how the council intended to make required savings over that four year period.

The Committee received an update from Councillor Dick Tonge, Cabinet Member for Finance, supported by Michael Hudson, Associate Director for Finance, on the Cabinet report to be tabled at the meeting on 11 October 2016 which had the response to the government as Appendix A, and highlighted the responses to questions that had been raised at public consultation events, and quoted the DCLG paper that states that if the council did not take up the settlement offer, the current annual settlement formula would apply. There was also a separate government consultation on changes to the collection and distribution of National Non-Domestic Rates (NNDR), where 100% of the funds would be allocated to local government, although councils such as Wiltshire would still be subject to a tariff, and would be expected to take on more responsibility.

The Committee sought additional clarity from the Cabinet Member on several points, seeking details of work that had been undertaken with the Department for Communities and Local Government, Local Government Association and other bodies to ensure that the government was encouraged to accept the caveats and assumptions being proposed in the efficiency statement. It was also stated in response to queries that the four-year offer did not apply to town and parish councils.

The Chairman of the Financial Planning Task Group, Councillor Glenis Ansell, then presented a report on behalf of the Task Group. A draft had been circulated to all members of the Task Group and Chairs of Select Committees who had also been invited to attend the meetings for comment ahead of its publication. Particular attention was drawn to the level of savings that were suggested in the proposed efficiency statement, and how to deal with areas of overspend such as children and adult social care.

A motion to endorse the recommendations of the Task Group was moved by Councillor Ansell, seconded by Councillor George Jeans.

The Committee then debated the proposal. There was discussion of the Task Group's assessment of the risks of not accepting the four-year settlement offer as outlined in recommendation 4 as detailed in the report, and an amendment was moved by Councillor Chuck Berry, seconded by Councillor Christine Crisp, as follows:

To endorse the Task Group recommendations subject to the following in place of recommendation 4 (a-d):

[That the Management Committee] Recognises that the consultation for 100% retention of business rates may result in changes to funding; and that the impact will have to be evaluated when DCLG make their proposal resultant from the current consultation.

The Committee discussed the proposed amendment, with some members feeling the wording was simpler, but others feeling it failed to acknowledge the other risks arising from uncertainty in the government offer. It was noted the

proposal to Cabinet to respond to the government offer set out a number of assumptions and caveats to the council's acceptance of the offer, should it choose to accept, and it was debated whether the Committee should separately note its concerns in addition to those in the Cabinet report. Following a vote the amendment was lost.

The Committee continued to debate the report and proposal, discussing the method of assessing the council's needs and the suggestion that a task group be created to examine the One Public Estate programme which was required to achieve many of the predicted savings.

Following debate the Cabinet Member thanked the Task Group for their work, although he had several comments in relation to their report, including:

- a) At paragraph 8 the Cabinet proposal had been listed incorrectly, clarifying that the second recommendation on proposed council tax levels of 2% each year for 2017-2020 did not fetter future council administrations from having a lower council tax increase should further savings be made.
- b) That contrary to paragraph 21b the level of top-up rates providing a safety net in any drop of NNDR was known and as detailed in paragraph 9.
- c) That there was no option to reject the proposed multi-year settlement now and request another settlement at a later date, as suggested in paragraph 23, and that the options were simply to accept a four-year settlement or continue with annual settlements.

The Chairman of the Financial Planning Task Group also thanked the members of the Task Group and the supporting officers for scrutinising the proposals so thoroughly in the short period possible due to government timescales for a response. At the conclusion of debate, it was,

Resolved

That the Overview and Scrutiny Management Committee:

- 1) Welcomes the Executive's engagement with overview and scrutiny in considering the matter of the four year settlement offer, the Efficiency Statement and the Medium Term Financial Plan 2017-2020.**
- 2) Recognises that either accepting or declining the four year settlement both carry risk; that on the balance of the information received during the task group's deliberations it is not in a position to make a clear recommendation on the matter; and it is appropriate to leave the decision to Full Council taking into account of the issues highlighted by overview and scrutiny.**

- 3) Recognises that declining the four year settlement would create significant challenges in the council's financial planning and that any alternative single year settlements may be less favourable.
- 4) Recognises that accepting the four year settlement would also carry significant risks, including:
 - a) Designing an MTFP around a funding settlement that may change and an NNDR system that is in the process of reform
 - b) Wiltshire's funding allocation being based on a needs assessment from 2010 and this not being reset until 2020
 - c) Uncertainty around which services may be transferred to the council, the levels of funding accompanying these and the flexibility for local discretion in their delivery
 - d) Uncertainty around NNDR re-evaluation
- 5) Endorses the Financial Planning Task Group focusing its work programme on the key saving areas agreed by Full Council, including self-funding council services, working closely with relevant select committees.
- 6) Investigates establishing a task group to engage with the One Wiltshire Estate programme to support the identification and delivery of savings across the public sector in Wiltshire.
- 7) Looks forward to continued Executive engagement on budget monitoring, the delivery of savings and the development of annual budgets through the Financial Planning Task Group and on service transformation and customer experience through the select committees.

91 **Date of Next Meeting**

The date of the next meeting was confirmed as 1 November 2016.

92 **Urgent Items**

There were no urgent items.

(Duration of meeting: 12.30 - 1.45 pm)

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