

Overview and Scrutiny Management Committee

MINUTES OF THE OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE MEETING HELD ON 14 JULY 2022 AT THE KENNET ROOM - COUNTY HALL, TROWBRIDGE BA14 8JN.

Present:

Cllr Graham Wright (Chairman), Cllr Christopher Williams (Vice-Chairman), Cllr Ruth Hopkinson, Cllr Jon Hubbard, Cllr Johnny Kidney, Cllr Gordon King, Cllr Jerry Kunkler, Cllr Bill Parks, Cllr Tony Pickernell, Cllr Jo Trigg, Cllr Tony Trotman and Cllr Iain Wallis

Also Present:

Henry Powell, Ceri Williams, Andy Brown, Ben Fielding, Cllr Pip Ridout, Cllr Ian Blair-Pilling, Cllr Elizabeth Threlfall and Perry Holmes.

17 **Apologies**

Apologies for absence were received from Kate Blackburn, Cllr Nick Botterill, Cllr Tony Jackson and Cllr MBE Bob Jones. It was noted that Cllr Jon Hubbard would be joining the meeting late.

It was noted that Committee Member, Cllr Elizabeth Threlfall had joined the meeting remotely. Additionally, as Cllr Phil Alford (Cabinet Member for Housing, Strategic Assets, Asset Transfer) was unable to join the meeting, Cllr Ian Blair-Pilling, (Cabinet Member for Public Health and Public Protection, Leisure, Libraries, Facilities Management and Operational Assets) attended the meeting in his place.

18 **Minutes of the Previous Meeting**

The minutes of the meeting held on 19 May 2022 were presented for consideration, and it was;

Resolved:

To approve and sign as a true and correct record of the minutes of the meeting held on 19 May 2022.

19 **Declarations of Interest**

There were no declarations of interest.

20 **Chairman's Announcements**

The Chairman updated that the Scrutiny team are now scheduling this year's programme of meetings where the select committee chairs and vice-chairs discuss work priorities with their Cabinet and director counterparts. Additionally, the Scrutiny team would be supporting their Chairs to involve their committees' wider membership, by inviting members to submit topics for discussion with the Cabinet.

21 **Public Participation**

There were no questions or statements submitted by members of the public.

22 **Year End Revenue Financial Out-turn Position 2021/2022**

The Chairman introduced a report within the Agenda Pack which provided an update on the final year end outturn position for the Council as of 31st March for the financial year 2021/2022.

The Chairman noted that the report was considered by Cabinet on 12th July. Prior to that, it was scrutinised by the Financial Planning Task Group on 8th July and the report from the Task Group summarising that discussion was included in the Agenda Supplement.

The following comments were received by the Section 151 Officer:

- There have been a number of grants for Ukrainian and Afghan refugees which will be rolled forward as an earmark reserve.
- There have been promising signs regarding improvements to income services such as leisure and carparking, with £3m improvement forecasted from Q3 to Q4 and an underspend increase.
- Of the £11m underspend, the majority will be put aside to deal with the cost of living and inflation, which was unseen at the time of the budget. Budget is being put aside to deal with CPR at 9.1%, however, this will likely rise to 10% in September and could potentially continue at this level. This proposal to mitigate the pressure for the next year has been identified as being a one-off.
- There is currently pressure regarding the pay award with the Council having previously budgeted for 2%, however this will not be enough, with work being done to consider what will be enough without risking national negotiations.
- A positive aspect of the report was identified as being that the Housing Revenue Account had reported an underspend which will now go into reserves. However, it was also noted that a deficit of £25m has been identified around the High Needs and SEN area, where there is a deficit of funding in the system.

Cllr Pip Ridout, as Chair of the Financial Planning Task Group, introduced the Task Group's report, which noted the following points:

- This is only the second time in 20 years that the Council is in a surplus situation, with the surplus being spread into the next year in order to prepare for an increase in inflation and the possibility of a large pay award.
- It was suggested that Scrutiny note where underspends and occurred for awareness of any service implications.
- Two major risks have been identified as the Dedicated Schools Grant and Stone Circle.

The following comments were received by Members of the Committee:

- It was stated that though there is a significant underspend, it was suggested that this could be attributed to vacant positions and struggling to recruit. Therefore, the underspend should not be commended if the Council is unable to deliver the services it should be delivering. It was clarified by the Section 151 Officer that purely looking at the finances, the underspend could be commended, but it should be questioned how far this impacts on performance and delivery. Additionally budget managers are responsible for recruitment, vacancies and retention and that budget for posts should only be removed if it is without detriment to performance.
- A further area of concern was identified as being the Planning Department as there seems to be a large number of vacant posts, which is leading to a situation with increasing non-determined planning applications which cost money at hearings. It was also suggested that a large number of the Planning Department are leaving their posts due to stress rather than wage implications.
- The Cabinet Member stated that work is being done to bring together both performance and financial metrics into one place, which will be shown in due course. In addition, the Scrutiny Committee will receive high level corporate performance reports in the future.
- Attention was drawn to the grant support for Ukrainian refugees, with much of the support having been drafted and seconded from other departments, therefore showing as an underspend in the host department and potentially causing a knock-on for service provision. The Section 151 officer clarified that an assessment is undertaken by each Head of Service before secondment in order to identify any potential detriment to the service. Additionally, existing staff were drawn upon rather than offering short term contracts due to short timescales.

At the conclusion of discussion, it was,

Resolved:

- 1. To note the revenue budget outturn position for the financial year 2021/22 and the comments of the Financial Planning Task Group.**
- **To note that OS Management Committee will be receiving the high-level performance reports to be received by Cabinet, with the other**

select committees developing arrangements for more detail performance scrutiny.

23 **Year End Capital Investment Programme Financial Out-turn Position 2021/2022**

The Chairman introduced a report within the Agenda Pack which set out the final year end position of the Capital Programme for the council as of 31st March 2022 for the financial year 2021/22, including the movements from the original budget, final scheme slippage and how the programme had been funded.

The Chairman noted that the report was considered by Cabinet on 12th July. Prior to that, it was scrutinised by the Financial Planning Task Group on 8th July and the report from the Task Group summarising that discussion was included in the Agenda Supplement.

The following comments were received by the Section 151 Officer:

- Attention was drawn to the table at the top of page 56 of the agenda, which noted that the Capital Programme was started with the intention to spend £214m but the Council only spent £110m.
- It was noted that there is a newly established officer gateway group which will have an enhanced oversight and governance role whilst making recommendations to Cabinet.
- The approved recommendations that were resolved in the Cabinet meeting on 12 July, were focused on inflation, with pressure coming through on the Capital Programme.
- The budget from the bottoming down scheme has been removed as the scheme did not finish, this will now be held centrally with decisions to be made in the budget regarding the reallocation of those funds.

Cllr Pip Ridout, as Chair of the Financial Planning Task Group, introduced the Task Group's report and acknowledged that Capital is a rolling programme which will most likely be halted by an increase inflation. Cllr Ridout stated her desire for the Overview and Scrutiny Management Committee to look at Capital rather than it being investigated by other committees. The Chairman noted that the Committee would be receiving quarterly updates on revenue, capital and investment.

The following comments were received by Members of the Committee:

- The effects of unrealistic wish lists were discussed, with it stated that trust can be damaged when outcomes are compared to things that are not been delivered. There is a requirement for greater scrutiny to rebuild trust. The Section 151 Officer stated the need for profiling in order to deliver.

- There is a relationship between the revenue and capital budgets as in order to deliver on the Capital Programme, revenue is required to pay for wages.
- It was stressed by the Cabinet Member that the Committee should be assured that at service level there is a focus on delivery and performance.

At the conclusion of discussion, it was,

Resolved:

- 1. To note the capital budget outturn position for the financial year 2021/22 and the comments of the Financial Planning Task Group.**

24 **Treasury Management Out-turn Report 2022/23**

The Chairman introduced a report within the Agenda Pack, which reviewed the Treasury Management activities for 2021-23. This report covered the period from 1 April 2021 to 31 March 2022.

The Chairman noted that the report was considered by Cabinet on 12th July. Prior to that, it was scrutinised by the Financial Planning Task Group on 8th July and the report from the Task Group summarising that discussion was included in the Agenda Supplement.

The following comments were received by the Section 151 Officer:

- The Council adopted a Treasury Management Strategy at its meeting on 2 February. The Strategy requires an Annual Outturn report, which provides detail of activity, credential indications and impressions of the Council's prudence. These indications can be compared against other councils.
- Wiltshire Council is under borrowed by £120.275m, which avoided the Council having to pay out external interest costs of £3.235m.
- The main consideration of the under borrowed position is that if the Council were to go out and borrow it could potentially be exposed to rising interest rates.
- It was reported that the Council had a breach last year with Leeds Building Society, where the duration limit was 100 days but the investment was made for 110 days.

Cllr Pip Ridout, as Chair of the Financial Planning Task Group, introduced the Task Group's report, with emphasis placed on the importance of how treasury management is required to be consistently monitored.

The following comments were received by Members of the Committee:

- It was confirmed by the Section 151 Officer what when public interest loans are taken out, the Council generally opts for fixed term interest rates due to their certainty.
- It was clarified that in relation to the table on page 100 of the agenda the colour coded LAS Credit Rating was in relation to the length of each loan.

At the conclusion of discussion, it was,

Resolved:

- 1. To note the report reviewing the Treasury Management activities for 2021-22, which will now be considered by Full Council.**

25 **Executive Response to the Report of the Asset Transfer Policy Rapid Scrutiny Exercise**

The Chairman introduced a report within the Agenda Supplement, which presented the response of the Cabinet Member for Housing, Strategic Assets, Asset Transfer to the final report of the Service Devolution Asset Transfer Policy Rapid Scrutiny Exercise.

The Chairman noted that on 19th May 2022, the Management Committee endorsed the final report of the Task Group and referred the Rapid Scrutiny Exercise's recommendations to the relevant Cabinet member for response at this meeting. The Management Committee also asked for a response to the additional issues raised during the Committee debate.

The following comments were received by the Cllr Ian Blair-Pilling as the Cabinet Member in attendance on behalf of Cllr Phil Alford, with it stated that the Cabinet said that they had accepted most of the points made and had modified others. The new Policy is set to come to Cabinet in September, which will then embody all of the suggestions and changes made. Cllr Hopkinson stated that the Rapid Scrutiny Group would meet to review the new Policy in advance of Cabinet approval.

The following comments were received from Cllr Ruth Hopkinson, Lead Member for the Rapid Scrutiny Group:

- Regarding Recommendation 2, the Task Group believed that there was a lack of commitment involving allocating resources to support implementation of the policy.

The following comments were received by Members of the Committee:

- A Member of the Committee was concerned that the relevant Cabinet Member was not in attendance following a positive piece of scrutiny and this demonstrated a lack of respect of the function

- Regarding the amendments to the recommendations, some Committee Members stated that rather than being amended it should have been worded as “rejected”.
- The Cabinet Member stated that there is a view that Cabinet do not want reserves to be used for on-going spend when the programme has not been defined, though this does not preclude Cabinet for using reserves for one-off spending activity.
- It was suggested that in the long-term the policy could potentially save Wiltshire Council money through investing and putting the onus onto Towns and Parishes, should they wish to take over services previously covered by Wiltshire Council. It was however also suggested that once Parish Councils take responsibility, they then could raise their precepts.
- It was suggested that with inflation and increasing costs, the policy could potentially become a missed opportunity for Wiltshire Council.
- The Cabinet Member assured Committee Members that the Overview and Scrutiny Management Committee and backbench members in generally are taken very seriously by the Cabinet. It was stated that Cllr Alford is motivated about asset transfer, however there is an awareness from Cabinet that the demand is immediately too great for the bandwidth available no matter what the resources. It is therefore the role of the policy to strike a balance.
- It was clarified by the Section 151 Officer that following the Town and Parish Council conference all those which had provided a level of interest had been logged with responses provided to recognise that the work was on the Cabinet Forward Work Plan.

The following comments were received by Officers:

- Speaking as Governance Lead, Perry Holmes outlined the options available to Committee in regard to their response. Noting that it could potentially be useful to have a third category style of response from Cabinet, titled “amended” which would indicate that the executive had been influenced by the provided proposals but had not yet fully accepted it and that the proposal could be changed.
- Democracy and Complaints Manager, Henry Powell, stated that previously responses had been produced in the format presented in order to allow for statistics to be gathered. It could therefore be useful in the future to abandon defining responses, or to change the definitions in place.

At the conclusion of discussion, it was,

A motion was moved by Cllr Jon Hubbard to update the 1st recommendation to state “To note with disappointment the executive response to the Final Report of the Service Devolution Asset Transfer Policy Rapid Scrutiny Exercise. This was accepted as a friendly amendment by The Chairman.

A second motion was moved by Cllr Jon Hubbard to update the 2nd recommendation to state that “To note that in most cases those executive

responses labelled amended were considered by the Committee to be rejected”, which was seconded by Cllr Ruth Hopkinson. A friendly amendment was suggested by The Chairman to state “To note that those recommendations relating to resourcing the policy the executive responses labelled “amended” were considered by the Committee to have been rejected”, which was not accepted by Cllr Jon Hubbard. When taken to the vote, the initial motion fell and was therefore not carried.

At the conclusion of discussion, it was,

Resolved:

- 1. To note with disappointment the executive response to the Final Report of the Asset Transfer Policy Rapid Scrutiny Exercise.**
- 2. To ask the Asset Transfer Policy Rapid Scrutiny Group to review and comment on the new Asset Transfer Policy prior to its consideration by Cabinet on 6th September 2022.**
- 3. To note the Committee’s ongoing concerns regarding sufficient resources being made available to progress Asset Transfers, and to ask the Cabinet to respond to these concerns when it receives the proposed new Asset Transfer Policy on 6th September 2022.**

26 **Management Committee Task Groups**

A report was received on the Task Groups and Panels established by the Management Committee.

Swindon and Wiltshire Local Enterprise Partnership (SWLEP) Joint Scrutiny Panel

It was noted that the Panel is somewhat in abeyance until the national picture regarding LEPs is clarified. Additionally, The LEP is currently considering the future type of scrutiny it wishes to commission, given the dramatic reduction in LEP funding being provided by Central Government.

Evolve Programme Task Group

It was noted that a written update had been included within the report. In addition, it was stated that there was a vacancy on the task group and an advertisement had been placed.

Financial Planning Task Group

It was noted that the next meeting of the Financial Planning Task Group had been scheduled for 2nd September 2022.

At the conclusion of discussion, it was,

Resolved:

1. **To note the update on the Task Group activity provided.**

27 **Forward Work Programme**

The Committee considered the forward work programmes for each select Committee, as well as updates from the Chairman for each Select Committee.

The Chairman updated that in June the Committee reviewed its approach to corporate and finance scrutiny and agreed a number of changes, including amendments to the Financial Planning Task Group's terms of reference. In addition, a brief verbal update was provided on the progress of agreed actions from previous meetings.

At the conclusion of discussion, it was,

Resolved:

1. **To note the updates on select committee activity and approve the Overview and Scrutiny Forward Work Programme.**

28 **Date of Next Meeting**

The date of the next meeting was confirmed as 21 September 2022.

29 **Urgent Items**

The Overview and Scrutiny Management Committee placed on record their gratitude for the work of Senior Scrutiny Officer, Ceri Williams who would shortly be leaving his post.

(Duration of meeting: 10.30am – 1.10pm)

The Officer who has produced these minutes is Ben Fielding of Democratic Services, direct line 01225 718656, e-mail benjamin.fielding@wiltshire.gov.uk
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