

FINANCE & ENTERPRISE SCRUTINY COMMITTEE

Minutes of a meeting of the Finance & Enterprise Scrutiny Committee held on Wednesday, 6 January 2016 at 6.00pm in Meeting Room G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT

PRESENT: Councillors S A W Reynolds (Chair), S Bentley, S Burrell, N Dugmore, R Evans, R Sloan, C Smith, D Wright and Co-optees R Williams and C Mason-Morris.

ALSO PRESENT: Councillor L Carter, Cabinet Member for Council Finance & Service Delivery; K Clarke, Assistant Director Finance and HR.

IN ATTENDANCE: F Bottrill, Scrutiny Group Specialist; S Jones, Scrutiny Officer.

FESC-01 MINUTES

RESOLVED – that the minutes of the meetings of the Budget & Finance Scrutiny Committee held on 17 February 2015 be confirmed and signed by the Chairman.

FESC-02 APOLOGIES FOR ABSENCE

None

FESC-03 DECLARATIONS OF INTEREST

Cllr. Evans declared an interest as an employee of a care provider contracted by the Council for discussion about the adult care budget.

Cllr. Bentley stated he would declare an interest during the meeting should any matters of conflict arise.

FESC-04 SERVICE & FINANCIAL PLANNING STRATEGY 2016/17 – 2017/18 (DRAFT BUDGET PROPOSALS)

The Chair welcomed Members to the first meeting of the Finance & Enterprise Scrutiny Committee to consider the budget proposals. The financial situation meant that very difficult decisions were required which made the scrutiny process more important than ever. She welcomed the re-appointment of Roy Williams as a co-optee and the appointment of Cindy Mason-Morris as a co-opted member of the Committee. Ms Mason-Morris had some excellent experience which the Chair was sure would assist the Committee in its work.

The Chair set out the purpose of the meeting which was to receive a presentation from the Cabinet Member on the draft Service & Financial Planning strategy for members to ask questions and identify areas for further scrutiny. She welcomed Cllr. Lee Carter, Cabinet Member for Council Finance & Service Delivery, and the

Assistant Director Finance and HR to the meeting. She thanked Cllr. Carter for attending to present the budget proposals in advance of Cabinet and clarified that the Committee understood that the proposals were subject to change and agreement for consultation by Cabinet on 7 January.

Cllr. Carter then gave a Powerpoint presentation highlighting the key points of the Service & Financial Planning strategy (draft budget proposals) including the national context of the disproportionately high level of cuts to local government budgets compared to other government departments; the Council's projected budget shortfall 2016/17-2018/10; the spending profile and budget pressures; cumulative savings to date; options for consulting on the level of Council Tax; almost 200 savings proposals; the budget communication and engagement strategy. Key messages were the 20.87% cut to the Revenue Support Grant for 2016/17 and the need to save another £30.7m over the next three years (in addition to the £80m cumulative annual savings already made) which would necessitate making cuts to services. The 32 service cuts identified as having the most significant impact for residents had been planned for 2017/18 to allow time to consult with other organisations and local communities on their involvement in future delivery. The priority was to protect services for vulnerable children and adults.

Members then asked a number of questions:

- The Assistant Director (AD) confirmed for Cllr. Dugmore that the 53% cut to the Local Government departmental budget was the cumulative cash reduction in funding over four years. The reduction could be partly mitigated by the Chancellor's announced proposal for 100% retention of business rates by local authorities. It was not known when or how the change would be implemented and there would be a consultation on changes to the local government finance system. The government had made it clear, though, that in return for retaining 100% of business rates local authorities would be expected to assume responsibility for the administration of funding of other areas such as the Public Health grant.
- Cllr. Dugmore asked for more information about the 'Efficiency Strategy'. The AD explained this was something the government had introduced as a requirement for local authorities in return for a four year settlement. This would be helpful for planning over a longer period and give authorities more flexibility to use capital receipts to fund the revenue costs of services generating efficiency savings. There was limited guidance about what would be required in an Efficiency Strategy but Greg Clarke had said that there would be a light touch approach and it was felt that Telford & Wrekin was well placed to articulate how it had and continued to transform to be more efficient. The Efficiency Strategy would be agreed by Full Council.
- Cllr. Dugmore asked how the Council's spending power – calculated as 8% below national average – had changed compared to previous years. The AD clarified that there had been a change to the calculation methodology. The previous approach had not been considered accurate and the government had responded to criticism by amending the calculation to exclude some Better Care Fund and public health grants. The new calculation meant there had been an

adjustment of almost -3% nationally which equated to a total of £11.1m less spending power in Telford & Wrekin compared to the national average. Cllr. Carter clarified that funding not controlled by Local Government had been excluded from the calculation.

- Cllr. Sloan raised two issues he would like to look at in more detail. The first was the proposed library closures which were likely to be contentious and Ward members would be asked questions by residents. He welcomed the strategy to find a way forward and felt it would be helpful for the committee to have a breakdown of how the savings were made up, including whether the £10,930 costs for Hadley library included lease costs and details of the terms of the lease which Cllr. Sloan requested on behalf of the Parish Council to consider further. The second was the proposed change to the school transport policy which projected to significant savings of £100k in 2016/17 and £300k in 2017/18 but with little information about how the saving were broken down or the impact particularly in the rural areas and he would like more detail. Cllr. Carter referred to the comments about the forward strategy for libraries and made a wider point that it was difficult to set out a prescriptive approach because the conversations on the forward strategy for services affected by the proposals would be different across the borough. There was an open book policy and he, with senior officers, would talk with and provide information to anyone who could offer support including voluntary sector and community groups.
- The Chair noted other scrutiny members present in the public gallery and said she would exercise her discretion as Chair to allow them to ask questions.
- Ms. Mason-Morris noted the intention to consult on proposals with a significant impact but felt the impact of some proposals was not clear and wanted to know what criteria had been used to assess the impact of changes and identify the priorities for consultation. The Assistant Director replied that 32 proposals had been prioritised for consultation and were highlighted in purple in Appendix 2. There were two phases of budget consultation: one on the overall package and options for Council Tax (which would be agreed by Council on 3 March) and then detailed consultation on the proposals that would have a significant impact on the community. Officers preparing reports had identified savings which would have a community impact and the saving would not be taken until 2017/18 to allow time to consult with other organisations and groups on how to mitigate the impact of the change and how the service could be delivered in future, for example if a Town or Parish Council were able to take over a service. The budget proposals included an allocation of one-off funding to help negotiate packages with town or parish councils or other organisations and community groups. Ms. Mason-Morris said it was still not clear how 'significant' impact was assessed for example in relation to the closure of a library and the Assistant Director replied that all the proposed changes to the provision of libraries were deemed significant.
- Mr Williams asked if the 2% social care precept was included in the additional £1.6m investment in the adult care budget in 2016/17. The AD confirmed it was assumed in the additional £1.6m but with the level of savings required by cuts in grant funding the current projection was that the adult care budget would fall back by £800k in 2017/18 compared to the 2015/16 budget. Mr Williams had further

detailed questions but the Chair informed him that the Cabinet Member for Adult Social Care, Cllr. A England and officers would be attending the Finance & Enterprise Scrutiny Committee meeting on 13 January and would have an opportunity to ask questions then.

- Cllr. Burrell remarked on the sizable saving projections from the changes to the schools transport policy and expressed concern about the impact of the withdrawal of the transport subsidy on children attending faith schools and wanted to know if the savings would impact disproportionately on denominational grounds. The Assistant Director did not have detailed information and the question would need to be referred to the relevant Cabinet member and officers.
- Cllr. Dugmore questioned proposal 58 to remove the ability to print in colour and felt it was important to retain the ability to print in colour where it was important for example on planning documents. The Assistant Director said the default print option was black and white because colour was eight times more expensive but he accepted the point that colour may be needed occasionally. Cllr. Dugmore suggested the wording of the proposal could be changed from 'remove' to 'reduce'. Cllr. Cater pointed out that the key saving was to be made from the renegotiation of photocopier lease costs.
- Cllr. Dugmore questioned proposal 29 to move to LED street lighting and that it would generate the level of savings projected. His local parish council had looked into this but found it had cost a lot to enter the programme. He questioned whether the return on investment was enough to justify the cost of expensive LED bulbs and he would like to see the figures to be convinced. The Assistant Director replied that the Assistant Director for that service area Angie Astley would be able to talk members through the business case and this was an invest to save proposal which showed a net revenue benefit. Cllr. Dugmore said he was sure the new bulbs would be better but if there was nothing wrong with the old bulbs the spending on the programme could be put on the back burner. The AD replied that this was something the committee may want to scrutinise.
- Cllr. Wright asked if the allowable 2% increase in Council Tax (the social care precept) had to be ring-fenced for adult social care and the AD confirmed that it did.
- Cllr. Dugmore asked if the £80m saved so far was a cumulative total or an on-going annual saving and the AD confirmed it was cumulative saving made each year.

There were no further questions and the Chair thanked Cllr. Carter and the AD for their attendance and they left the meeting. The Chair opened a discussion about which issues the committee would like to consider in more detail at future meetings and reminded members that Cllr. Arnold England would attend the meeting on 13 January to discuss the adult care budget and Cllr. Andrew Eade would attend the meeting on 19 January to present the alternative budget of the main opposition group. Members made the following requests:

- Cllr. Sloan asked if Cllr. Clare could be invited to a meeting to discuss libraries. He suggested it would be useful to have a breakdown of usage for each library and Cllr. Evans drew members' attention to Appendix 3 (Savings proposals identified as relevant to the Equality Duty) which included a breakdown of lending rates and visitors at each library. Cllr. Dugmore wanted to know more about the cost of the mobile library particularly why it was servicing locations with a weekly average of zero customers. Ms Mason-Morris pointed out that proposal 93 was to generate more income from the health and fitness centre in Wellington by reducing the amount of library space but this had not been highlighted in the presentation as a proposal to reduce library services and she wanted more information about the potential impact on library users. It was also discussed that the committee would like clarification of the consultation process.
- Cllr. Sloan agreed with Cllr. Burrell that the committee needed clarification on how the savings figures arising from the proposed changes to the schools' transport policy (157) had been arrived at, possibly by requesting a written response with a view to questioning the Cabinet member at a meeting. Cllr. Burrell repeated his concern about the potential disproportionate effect of the change of policy on children from faith communities, particularly given the change in location of the faith based academy, and on children and families in rural areas. He would not want to respond to the proposals without knowing the details and would like answers from Cllr. Watling and officers. The Scrutiny Group Specialist suggested members may want to ask questions about proposed cuts to prevention services and some children's centres which Cllr. Watling has raised with the Scrutiny Management Board.
- The Chair confirmed with members that they would like to see the business case for the replacement LED bulbs in street lights
- Cllr. Smith said he was concerned about proposal 28, reactive highways maintenance, and the impact it would have on road and pothole repairs which were a key issue for the public
- Cllr. Sloan added that there were a lot of savings relating to highways which cumulatively added up to a lot of money and perhaps the two relevant Cabinet Members, Cllrs. Davies and McClements, could be invited to a meeting for a wider discussion about the proposals
- Cllr. Dugmore commented that the savings from the withdrawal of funding for borough markets was not great but he was concerned that it could have a high impact and wanted to look at how the impact had been assessed and more information about the consultation going forward.
- Mr Saunders (a co-opted member of the Health & Adult Care Scrutiny Committee) asked if the Cabinet member could attend a meeting to answer questions about the Public Health budget, if possible at the same meeting as the adult care budget, and he would email any specific issues to the scrutiny committee after the meeting.

- The Scrutiny Group Specialist informed members that the Health & Adult Care Scrutiny Committee had already identified a number of issues on the adult care budget. A list of the issues was tabled and members were asked to email the scrutiny team if they had any further questions. The questions would be sent to Cllr. A England and officers to address at the next meeting.

At the end of the discussion the Chair summed that the Cabinet members who would be invited to attend meetings were: Cllr. A England (adult care), Cllr. Clare (libraries), Cllr. Watling (schools transport policy) and Cllr. Overton (public health). Written responses would be requested on LED street lights, highways maintenance and borough markets. The scrutiny team would make arrangements and confirm details depending on the availability of the required Cabinet Members and officers. The Chair advised members to email any other questions to the scrutiny team.

The Chair apologised that she had a double-booking for the evening of 2 February and the committee agreed to move the meeting to 3 February although it was noted that there was a Planning Committee on the same evening which may affect Cllr. Dugmore's attendance. Cllr. Bentley gave his apologies for the meeting on 13 January as he would be speaking at the Planning Committee on that evening.

The meeting ended at 7.10pm.

Chairman:

Date: