



Telford & Wrekin  
COUNCIL

Addenbrooke House Ironmasters Way Telford TF3 4NT

## FINANCE & ENTERPRISE SCRUTINY COMMITTEE

Date **Wednesday, 6 January 2016** Time **6.00pm**  
Venue **Meeting Rooms G3/4, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

### Enquiries Regarding this Agenda:

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Committee Membership: Councillors S Bentley, S P Burrell, N A Dugmore, R C Evans,  
**S A W Reynolds (Chair)**, R J Sloan, C F Smith and D G Wright

## AGENDA

1. **Apologies for Absence**
2. **Declarations of Interest**
3. **Minutes** Appendix A  
To note the minutes of the meeting of the Budget & Finance Scrutiny Committee held on 17 February 2015.
4. **Service & Financial Planning Strategy 2016/17 – 2018/19 (Draft Budget Proposals)** Appendix B  
(To follow)
  - (a) To receive a presentation on the draft budget proposals from the Cabinet Member for Council Finance & Service Delivery subject to amendment by Cabinet on 7 January 2016;
  - (b) To consider the proposals and agree items for further scrutiny at future meetings including planning provision for scrutiny of alternative budget proposals put forward by the Main Opposition Group.

## **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:** .....

**BUDGET & FINANCE SCRUTINY COMMITTEE****Minutes of a meeting of the Budget & Finance Scrutiny Committee held on Tuesday, 17 February 2015 at 6.30pm in Meeting Room G3, Addenbrooke House, Ironmasters Way, Telford, TF3 4NT**

**PRESENT:** Councillors S A W Reynolds (Chair), R K Austin, R C Evans and G C W Reynolds and Co-optees: Mr R Williams

**ALSO PRESENT:** Councillors S Davies (Cabinet Member for Neighbourhood Services, Employment & Skills) and A D McClements (Chair, Co-operative and Communities Scrutiny Committee)

**IN ATTENDANCE:** F Bottrill (Scrutiny Group Specialist), D Moseley (Scrutiny Officer) and J Power (Delivery and Planning Manager)

**BFSC-18 MINUTES**

**RESOLVED** – that the minutes of the meetings of the Budget & Finance Scrutiny Committee held on 6 January 2015, 13 January 2015, 21 January 2015, 3 February 2015 and 11 February 2015 be confirmed and signed by the Chairman subject to Cllr R K Austin's apologies being recorded for the meeting on 6 January 2015.

**BFSC-19 APOLOGIES FOR ABSENCE**

Councillors N A Dugmore and C P R Mollett and Mrs F Robinson (co-optee)

**BFSC-20 DECLARATIONS OF INTEREST**

Cllr R C Evans commented that she was employed locally by an adult care provider but, as this did not specifically relate to any elements of the budget proposals to be discussed at this particular meeting, she would not be withdrawing from the meeting.

**BFSC-21 SERVICE & FINANCIAL PLANNING STRATEGY 2015/16 – 2017/18 (DRAFT BUDGET PROPOSALS)****(a) Feedback on public consultation**

The Delivery and Planning Manager informed the Committee that consultation began on 5 January 2015 and ended on 8 February 2015; the Council's approach had been made up of 3 key themes:

- Demonstrating Council achievements since 2011, linking with an earlier major consultation and asking people to share their thoughts about Telford and Wrekin again.
- Highlighting some simple ways that residents could help the Council to save more money.
- Communication of key budget messages including the growth agenda.

Consultation had focussed on the Cabinet Member for Finance and Enterprise visiting a number of areas across the Borough with an interactive road show in January and early February, the Community Panel Survey, Online Survey and an article in Your Voice. In total contact was made with almost 2,600 local residents and 1,608 responded to the survey. The programme of engagement and awareness had a powerful reach of over 57,000 contacts through the use of social media. Headline messages from the consultation were:-

- 37% of people said that the best thing about the borough was the range of shopping and recreational activities. This was followed by 34% of respondents who said that the best thing was the borough's parks, play areas and open spaces and 15% who said that the best thing about Telford and Wrekin was its heritage and local identity.
- 21% of respondents said that their biggest concerns or problems related to highways and pavements. 17% identified concerns with environmental issues (including street cleanliness, litter and fly tipping). 17% also highlighted problems with safety (including crime and anti-social behaviour)
- Respondents were asked what would be the one thing they would change about the borough and there was not a single or majority issue identified. 14% of respondents wanted to see improvements made to highways and pavements. 13% wanted further improvements to the shopping and recreational offer in the borough, and 12% wanted to see improvements made in dealing with environmental issues.

These messages were not unusual in terms of previous years but, if comparison was drawn with the 2011 consultation, the key change would be that in 2011 jobs and the economy had been identified as strong concerns.

The investment proposals were supported by three-quarters of respondents, with the remaining have a neutral opinion. Nine out of 10 residents supported investment in youth unemployment initiatives with similar levels of support for funding for the local food bank, crisis support and low cost loans, and the further investment of £1m for a second round of Community Pride Fund in 2017/18. Proposals with lower levels of support, but still attracting majority support included free swimming for over 50s, St Georges regeneration and rollout of superfast broadband.

The Cabinet Member for Neighbourhood Services, Employment & Skills explained the culture change around the consultation process which had been driven by the Cabinet Member for Finance and Enterprise who had visited numerous locations across the borough. The Cabinet Member for Neighbourhood Services, Employment & Skills was pleased that there wasn't an issue which was uniting residents' concerns. He welcomed the contribution of Scrutiny during the process and, noted that consultation had not been undertaken lightly – it was a meaningful process which had resulted in Cabinet taking the decision to make some key changes to the proposals as a result of comments received. These changes would be revealed by Cabinet on 18 February 2015.

The Committee were delighted with the reach of the consultation and asked how this compared to previous years. The Delivery and Planning Manager advised that the Corporate Communications Team had done lots of work with social media for this

consultation and the Community Participation and Community Engagement Teams had driven the consultation, working to further boost the level of contacts achieved. He did not have data to compare reach with previous years immediately available but agreed to provide this following the meeting.

Cllr A D McClements referred to the excellent roadshows which had taken place in various communities across the borough. She had personally visited the Wellington roadshow. She noted residents had identified the range of shopping and recreational activities as being the best thing about the borough and wondered if this could be drilled down further, for instance, had Southwater featured in comments? The Delivery and Planning Manager advised that this area generally featured as a strength for the borough.

The Chair noted that a small proportion of residents had highlighted concerns regarding highways and pavements but she believed this could be addressed by the Pride Programme. The Cabinet Member for Neighbourhood Services, Employment & Skills noted that the New Town roads were built at the same time and were, therefore, naturally declining at the same rate. Programmes such as Parish Environmental Teams and Pride in Your High Street would address these priorities.

The Chair noted that Adult Social Care accounted for 40% of the Council's budget but that this area did not feature highly in residents' concerns. The Cabinet Member for Neighbourhood Services, Employment & Skills felt that this was one of the services where, if a resident was not directly impacted, they tended not to express a view. However, strong views in support had been verbally expressed at roadshows.

Cllr G Reynolds had attended the roadshow at Oakengates where strong support had been seen for the Gower and St Georges regeneration. She also noted a number of respondents had highlighted heritage and local identity as being the best thing the borough had to offer and asked if this was a new feature. The Delivery and Planning Manager advised that it had been referenced in the Shaping the Future consultation in 2011, and was generally recognised as a key strength.

Cllr A D McClements was delighted that a significant proportion of the community had recognised the importance of providing social support in the form of the foodbank and crisis support.

The Chair noted the branding around "cheap loans" and suggested that this should be changed to "low cost" loans which reflected Credit Union branding and provided a more accurate message. The Cabinet Member for Neighbourhood Services, Employment & Skills agreed to feed this back to the relevant team.

The Committee formally registered their thanks to the Community Participation, Community Engagement and Corporate Communications Teams for their valuable contribution to driving the consultation process. The Cabinet Member for Neighbourhood Services, Employment & Skills and Delivery and Planning Manager then left the meeting.

- (b) Further responses to Members' questions on the budget strategy and savings proposals, or the Main Opposition Group alternative budget proposals.

No further questions had been submitted.

The response from the Community Participation Team Manager detailing the support provided to grass-roots organisations in bidding for Community Pride funding and the governance arrangements for the Fund were circulated.

## **BFSC-22     SCRUTINY RESPONSE TO BUDGET PROPOSALS**

- a) The Service & Financial Planning 2015/16-2017/18

Copies of the draft response discussed at the previous meeting were tabled. This had formed the basis of the Chair's informal representations to the Cabinet and a formal response was now required to be published with the Cabinet papers the following day.

Members expanded upon the draft in reference to :-

- Adult Social Care budget and the need for continued discussions between the Council and CCG.
- Innovative income generation, without which the Committee considered that the Council would not be in such a strong position.
- Support for funding for the Pride Programme
- Welcoming the Council Tax freeze for 2015/16 and the commitment to continue the freeze in 2016/17. The Committee also stood by the decision not to accept the government grant offered to freeze Council Tax in 2012/13 and 2013/14, which had been subject to robust scrutiny at the time which concluded that such a freeze would have been detrimental to the Council and its residents in the longer term.
- Following the response from the Community Participation Team Manager, removal of concerns relating to the governance arrangements for the Community Pride Fund and seeking support to be provided to grassroots organisations in making bids.
- The Children and Young People's Scrutiny Committee work regarding provision for school places

The Committee welcomed the Cabinet's positive approach to consultation and willingness to revise the proposals in order to address feedback.

- b) The Main Opposition Group alternative budget proposals

Copies of the draft response discussed at the previous meeting were tabled.

Members expanded upon the draft in reference to :-

- Lack of clarity regarding long term funding for the Adult Social Care budget and whether proposed new ways of working would be adopted.

- Development of Local Development Plan. Cllr McClements informed the Committee that, following the meeting on 3 February, she had investigated the position and was able to confirm that the Council was one of 53% of authorities which had got an up to date LDP. The Chair expressed concern that the alternative proposals would result in delays to the formulation of Shaping Places, as re-consultation would be required.
- Lack of clarity regarding proposals to incentivise brownfield land. The Committee welcomed the Main Opposition Group Leader’s offer to engage in lobbying central government in this regard and asked that this take place within three months.
- Consultation feedback supported the aims of the Destination Telford Initiative. The Initiative was key to economic growth in the borough and the Council’s “business winning, business supporting” approach. The alternative proposals did not explain what benefits could be achieved by cancelling a programme which generated £millions from a budget of £250K.
- Concerns about how the Highways proposals would be paid for and satisfy the needs of local people.
- Cancellation of the administration’s proposed Housing Scheme would cancel the associated income generation and potentially leave brownfield land undeveloped. Opposition claims with regard to risk were considered unfounded since the Council’s risk assessment had been cautious.
- The Section 106 mechanism and Community Infrastructure Levy (CIL), which the proposals suggested would better meet funding demands for additional secondary school places, would be reviewed by Scrutiny post-election.
- Concern that savings from proposals to partner with other authorities or share services were not evidence-based and lacked detail
- Clarity regarding employment rights for Trade Union representatives.
- The potential for increased costs to be incurred (eg with regard to financial management systems) if leisure facilities were managed independently as set out in the alternative proposals.
- Proposals to provide free swimming lessons were not backed up by evidence and did not address the public health agenda to the same level as the administration proposals to provide free swimming for over 50s.
- The limited outcomes which could be achieved through a relatively small investment of £50k in rights of way.

The Committee recommended that Scrutiny should undertake a comprehensive review of Customer Services during the 2015/16 municipal year.

The Committee reiterated their disappointment at the late submission of the main opposition’s alternative budget proposals.

In conclusion, the Committee thanked the Scrutiny Team for their work during the intensive budget scrutiny process.

The meeting ended at 8.24pm

**Chairman:** .....

**Date:** .....