

Corporate and Communities Overview and Scrutiny Panel Monday, 18 January 2016, County Hall Worcester - 2.00 pm

		Minutes
Present:		Mr C B Taylor (Chairman), Mr S R Peters (Vice Chairman), Mrs P E Davey, Mr R C Lunn, Mrs E B Tucker and Mr P A Tuthill
Also attended:		Mrs L C Hodgson, Cabinet Member with Responsibility for Localism and Communities Neil Anderson (Head of Community and Environment), Keith Beech (Senior Brand Manager), Sharran Grove (Scrutiny Liaison Officer), Sander Kristel (Director of Commercial and Change), Sean Pearce (Chief Financial Officer), Simon Wilkes (Business Manager, Worcestershire Regulatory Services), Samantha Morris (Overview and Scrutiny Officer) and Jodie Townsend (Democratic Governance & Scrutiny Manager)
Available Paper		The members had before them: A. The Agenda papers (previously circulated) B. Budget Presentation Slides (previously circulated) C. Minutes of the Meeting held on 30 November 2015 (previously circulated) (copies of document A and B will be attached to the signed Minutes)
154	Apologies and Welcome	Apologies were received from Maurice Broomfield, Stuart Cross and Clive Holt.
155	Declarations of Interest and of any Party Whip	None.
156	Public Participation	None.
157	Confirmation of the Minutes of the Previous Meeting	The Minutes of the Meeting held on 30 November 2015 were agreed as a correct record and signed by the Chairman.

158 Budget and Performance Monitoring: Commercial & Change, and Communities

As part of the Council's consultation process for the 2016/17 budget proposals, the Cabinet Members with Responsibility for Finance, Transformation and Commissioning, Localism and Communities, the Chief Financial Officer, the Director of Commercial and Change and the Head of Community and Environment were invited to the meeting to discuss:

- latest performance information for 2015/16
- the draft 2016/17 budget.

Following the scrutiny panels' round of budget discussions during November 2015, the Budget Member Challenge Group requested that the panels revisit and agree their comments on the Future Fit savings proposals taking into account the information discussed by Cabinet at its meeting on 17 December 2015.

The draft Report of the Budget Member Challenge Group, incorporating the views of individual scrutiny panels, would be considered by the Overview and Scrutiny Performance Board, at its meeting on 28 January and subsequently passed to Cabinet.

The Chief Finance Officer made a presentation to the Panel which covered:

- Key Headlines
- Driving Home Highways Infrastructure Improvement Programme
- The County Council's starting point for financial planning
- How the MTFP had been updated since February 2015
- How expenditure and income projections were developed
- The indicative funding gap
- Plans to address the indicative funding gap
- The proposed draft MTFP
- Summary capital expenditure plans
- Local Government Finance Settlement update and next steps.

In summary, the position in Worcestershire was that:

- economic growth was continuing to show signs of improvement
- there was continued revenue investment in the key Corporate Plan priorities
- demand pressures on services was the biggest

issue and was growing significantly

- the Council's Budget was £327.8m (approximately £1m per day) with £25m savings requirement.
- It would be proposed that Council Tax would increase by 3.94% of which 1.94% would be ring fenced for the pressures in the Looked After Children and 2% ring-fenced for Adult Social Care to contribute to cost pressures which had been funded by a one-off grant in 2015/16 but unavailable in 2016/17.

Prior to the Local Government Settlement (announced late December 2015), the County Council had a healthy Balance Sheet and were looking at a £2m savings gap. The Settlement however, was very disappointing for Worcestershire. Shire and District councils had been hit hard as Government had shown intent to accelerate reductions and redistribute grant funding away from Shire County's to Metropolitan and London boroughs. Key grants such as the Care Act had been rolled-in effectively at zero to the main Revenue Support Grant.

The latest estimate was an £11m funding gap to add to the £2m gap already in existence. It was thought that the plans to plug gap would mean that there would still be a £2m funding gap remaining.

During the discussion, the following points were made:

- There was concern that Central Government thought that Worcestershire had £112m of Reserves; when in fact this wasn't the case as some of the £112m Reserves were earmarked. Government were being lobbied about this.
- The Settlement detail was very complex: it was 4 year offer and much lower than anticipated. The expectation was that Authority's would become less dependent on Government Grants and more self-sufficient as time went on.
- The ability to use contingencies to deal with unforeseen circumstances like the recent Settlement would become more and more difficult in the medium term.
- The detailed proposals to fill the £13m gap would be available in the 4 February Cabinet Report (published 28 January 2016).
- In terms of whether Worcestershire would be accepting Governments 4 Year offer, it was confirmed that further detail was awaited.
- There was an increasing reliance on Council Tax and Business Rate revenue as an income stream.

- In response to the Panel's concerns about the significant demand pressures on the services for Looked after Children (LAC), Members were advised that in the last 2 years, there had been a significant increase in the number of LAC as well as the placements being more complex. Although, the Children and Families Overview and Scrutiny Panel would be examining this area in more detail, the Panel were advised that Directorate's Strategy to deal with the rising costs was to ensure that the LAC placement were being handled in the most appropriate, effective and timely manner to ensure the best outcomes for the children and young people.
- The Director of Commercial and Change advised that the Directorate had challenged themselves and been able to make some further suggestions for savings.
- £2.5m New homes bonus monies were being allocated to the 'Driving Home Highways Infrastructure Improvement Programme'

The Chief Financial Officer was requested to provide the Panel with:

- A copy of the letter lobbying Government about the amount of un-ring-fenced reserves held by Worcestershire;
- A breakdown of COaCh savings; and
- Detail on how the New Homes Bonus was calculated.

In summary the Panel:

- was supportive of the direction of travel being taken and believed the budget proposals that it had examined in relation to Corporate and Communities were linked to delivering the agreed objectives of the Council, therefore the Panel believed that there were clear links between budget setting and strategic/operational plans based on the information that it has been provided with.
- identified areas that it believed would benefit from further review for the purposes of improving the budget position of the Council and would like to see the relevant Scrutiny Panels involved in those areas at an early stage for development of the 2016/17 budget and beyond. The areas were:
 - Examine how the Council could make use and generate additional income from the Place Partnership

- Conduct a detailed review on how to maximise the earning potential of corporate facilities at County Hall (i.e. generate additional income through Council Chamber use/ weddings/use of the Hive etc.)
- Examine how to make use of the Commercial Team to ensure the Council is getting the absolute best deal and delivering value for money for its residents when commissioning projects
- In addition the Panel would like to recommend that the Children and Families Overview and Scrutiny Panel conducted a detailed review of options for consideration in relation to services for LAC. Particularly noting the need to find the suitable provision for looked after children which may be more appropriate and more cost efficient than placing them into residential care.
- The Panel also encouraged Members to bring forward ideas for budget savings and improved and more efficient service delivery

In addition to what is listed above the Panel would like OSPB to note the following:

- It has been difficult for the Panel to fulfil key elements of the budget scrutiny process due to specific budget proposals following the Local Government Financial Settlement not being provided; in addition the Panel would recommend that in future budget information provided to each Scrutiny Panel be specific to the Services within the remit of that Panel.
- As specific budget proposals following the Local Government Settlement were not provided to the Panel, the Panel felt unable to challenge whether processes were effective and accessible and ensure that there was a level of integration between corporate and service planning and performance and financial management.
- The Panel also felt that it was not in a position to be able to challenge how resources were allocated and used and examine their impact, as well as ensuring that all implications of decisions had been identified and considered.

159 Trading Standards and Animal Health - Update

The Head of Community and Environment and the Head of Regulatory Services were invited to provide an update on recent developments in relation to Trading Standards and Animal Health.

The County Council as a commissioning council keeps its services under continuing review as necessary to ensure the best use of public money. The Worcestershire Shared Services Joint Committee (*'the Joint Committee'*) was established on 1 June 2010 by the County Council and the six district councils in Worcestershire as the vehicle to deliver regulatory services which included the county functions of:

- Food Standards
- Fair Trading
- Animal Health
- Weights and Measures
- Product Safety
- Petroleum and Explosives Licensing.

The services were delivered through Worcestershire Regulatory Services (WRS) hosted by Bromsgrove District Council (BDC). This governance model was based upon established arrangements for shared service delivery operating within the county and was structured to allow for the addition of other shared services in the future.

In February 2015, the Joint Committee endorsed proposals to restructure the current partnership into a smaller partnership of the district councils, continuing to have closely aligned policies and service levels, and the County Council leaving the Joint Committee but entering into a service level agreement with BDC for the provision of trading standards services through WRS. The Joint Committee considered that this model would best maintain the strengths and benefits of the original business case whilst protecting individual partner councils from the pressures and risks of diverging financial positions. The Proposal was agreed by Council and Cabinet in November 2015.

It was subsequently agreed that staff would be transferred back in-house with effect from 1 June 2016 (with a short term contract with WRS from 1 April to 1 June to ensure a continuity of service).

During the discussion, the following main points were made:

- The Panel were supportive of the decision to move the service back in-house;
- There was an opportunity to employ more staff by moving the Service back in-house;
- The priorities for the service were:
 - High value detrimental issues

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- Organised crime
- Serious product safety
- Illicit alcohol and tobacco
- Food fraud and disease control
- It was confirmed in relation to animal health that there was a protocol in place relating to the 'Seizure of Ponies';
- Poaching issues if significant would be investigated from time to time.

It was agreed that this this issue would be deferred to 21 March 2016 meeting.

The meeting ended at 4.10 pm

Chairman