

## Overview and Scrutiny Performance Board

### Thursday, 28 June 2018, County Hall, Worcester - 2.30 pm

**Present:****Minutes**

Mr C J Bloore (Chairman), Mrs E A Eyre (Vice Chairman),  
Mr A A J Adams, Mrs J A Brunner, Mr P Middlebrough,  
Mrs F M Oborski and Mr P A Tuthill

**Also attended:**

Mr S E Geraghty, Leader of the Council and Cabinet  
Member for Finance  
Mr R C Lunn, Group Leader  
Mr R M Udall

Paul Robinson (Chief Executive),  
Michael Hudson (Chief Financial Officer),  
Sheena Jones (Democratic Governance and Scrutiny  
Manager) and  
Alyson Grice (Overview and Scrutiny Officer)

**Available Papers**

The Members had before them:

- A. The Agenda papers (previously circulated);
- B. The Minutes of the meeting held on 23 May 2018  
(previously circulated).

(A copy of document A will be attached to the signed  
Minutes.)

**1041 Apologies and  
Welcome**

Apologies were received from Mr C B Taylor.

**1042 Declaration of  
Interest and of  
any Party Whip**

None.

**1043 Public  
Participation**

None.

**1044 Confirmation of  
the Minutes of  
the Previous  
Meeting**

The Minutes of the Meeting held on 23 May 2018 were  
agreed as a correct record and signed by the Chairman.

**1045 Budget Scrutiny  
2019/20:  
Discussion with  
the Leader and  
Chief Executive**

The Leader and Chief Executive of the Council had been invited to the meeting to discuss the development of the 2019/20 Budget and how Scrutiny might best contribute to this work.

By way of introduction, the Chairman reminded Members that there had been concerns about last year's budget scrutiny process, including the lack of time available for scrutiny following the late availability of information. The meeting was an opportunity to think about the development of next year's budget and to hear the Leader's views on how the scrutiny process might work.

The Leader informed the Board that he was in listening mode and saw the meeting as an opportunity to hear how the Scrutiny Panels would like to develop a better process. The timetable for budget development was already set with a draft budget to be published in December and the final budget being approved by Council in February. Before this there was an opportunity to discuss how best to look at emerging in-year trends and issues in order to inform the Medium Term Financial Plan. Cabinet had a programme of quarterly monitoring to identify trends and this would next be considered in September.

The Chairman informed the Board that he was keen to involve all 57 Councillors in the budget scrutiny process. He went on to welcome the newly appointed Chief Financial Officer to the meeting and ask for his views on budget scrutiny. In response, the Chief Financial Officer reminded Members that every authority was different. It would be important to work with Members at the right pace and in the right level of detail. He suggested that in Worcestershire the narrative of budget development could be improved.

Members of the Board were given an opportunity to ask questions and the following main points were made:

- It was confirmed that the budget setting process included consideration of the whole of the Council's income, including council tax, grants and one-off, time-limited resources.
- The importance of undertaking work pre-Christmas was emphasised, including looking at actual and forecast budgets. Members would need to fully understand the service they were considering, including policies and strategies, and staffing levels.

- It would be helpful for Members and officers from Democratic Services to have the support of an officer from Finance who was able to use accounting language to interpret information requests.
- The Leader agreed that the process should involve all Members and suggested that the usual budget briefing for Members could be held earlier in the year in order to improve understanding and bring Members up to speed. Rather than focusing on the detail of the draft budget, it would be helpful to develop an understanding of the 'architecture' of budget setting.
- A Member commented that the information provided to Scrutiny Panels last year was too high level and did not give sufficient detail to allow in-depth scrutiny. He referred to information provided by Wychavon District Council which included trends, details of last year's budget, last year's performance and the proposed budget. In order to scrutinise the budget the Panels needed to have the time and the right information to look at the detail. The Leader agreed that generic reports were not sufficient as Panels needed to focus on their own service area, with the level of detail tailored to each Panel. He would take this on board, together with other points made, and come back to the Board with a set of proposals.
- The Chair of the Adult Care and Well-being O&S Panel reminded Members that last year's budget scrutiny had been difficult as there were a number of new Members who were on a steep learning curve. She agreed that it was important to start the process earlier and to have an 'interpreter' from the finance team to support those Members for whom finance was not a strength.
- It was confirmed that in the past scrutiny Members had received high level information before Christmas with the detail of the draft budget being made available in January.
- In response to a question from the Chief Executive on what Members understood by 'scrutinising the budget', it was confirmed that this would include understanding and challenging the draft budget, and helping to create alternatives. The Chief Executive reminded Members that in creating the budget there were political choices to be made and it would not therefore be possible to involve every Member of every different party in the process. He did, however, confirm that he would provide the same level of information to all

Members (the raw data) to allow them to identify their own priorities. This would happen in December after the budget figures were available. He acknowledged that officers spent time with Members of the administration working on the budget but spent little time with other Members. In terms of training, it was vital that all Members understood the fundamental basics and the assumptions on which the budget was based.

- The Chief Financial Officer confirmed that budget reports would include the assumptions on which the figures were based. He went on to agree that it would be helpful to have a Member briefing in September, which went back to basics and used non-technical language that Members could easily understand. The Chief Executive reiterated that training was vital in allowing Members to know what questions to ask. He suggested that Members should focus on areas of largest spend and not get caught up in looking at small amounts of money.
- A Member agreed that the role of scrutiny was not to produce a consensus budget but to ensure good decision making. This would be helped by giving the Panels better information. The Panels' role was to hold the Cabinet Member to account and give the Cabinet Member a feel for the views of other Members.
- The Member suggested that it was important for Members to understand the 'architecture' of the budget but this should be done in a better way than simply at a Member briefing. There also needed to be a mechanism for informing all Members as things changed. The impact of unexpected Government announcements (such as the recent one on NHS funding) also needed to be considered.
- It was suggested that the Audit and Governance Committee may also have a role to play. It would be important to look at the budget process in its totality.
- A Member suggested that it was idealistic to expect all Councillors to attend a Member briefing. He went on to point out that the development of the budget should feed into budget monitoring as an ongoing process. Cabinet Member reports to Council could be less wordy and could include budget figures. It was important to have consistency of presentation from year to year to allow comparison.
- The Leader reminded Members that budget

monitoring was on a quarterly cycle and would next be reported to Cabinet in September. This was a key moment at Cabinet and papers were published online. He acknowledged that where Council services had been restructured, it may be difficult to track budgets from year to year.

- The Chairman of the Children and Families O&S Panel asked about the potential additional costs of moving to an Alternative Delivery Model (ADM). In particular, she was concerned about the risk that the ADM could request additional money in order to meet targets set by the County Council. She also reminded the Board about the frustration of the Overnight Short Breaks Scrutiny Task Group who had not been able to obtain an agreed set of financial figures from the County Council, the Health and Care Trust or the Clinical Commissioning Groups. She went on to express concern that not enough attention had been given to education funding and whether the Council was getting value for money from Babcock. She had further concerns about the number of SEND places available in the County and the financial implications of having to buy places out of county. It was important to be clear about the current policy for service areas so that the policy implications of options could be drawn out.
- The Leader of the Council reminded Members that negotiations with the Government on the funding of the ADM were ongoing. A further report on the ADM would go to Cabinet in October. He went on to agree that more attention should be given to funding for schools and education, although he made no apologies for the recent focus on children's social care. The Council had a range of relationships with schools and maintained a system leadership role in relation to, for example, school places and SEND. He acknowledged that the recent joint Ofsted/CQC inspection report on SEND would lead to changes and had resource implications for the County Council and partners.
- In relation to Children's Social Care, the Chairman of the Board expressed frustration that, although progress had been made since the Ofsted inspection and there were signs of a change in culture, rather than allowing the Council to carry on with the improvements, the service was now being taken out of the Council's hands.

Councillors who were not Members of OSPB were given the opportunity to ask questions. The following main

points were made:

- It would be important for Members to be aware of areas where funding streams were due to run out. All Directorates should list these to allow easy identification. Information should also be included about areas where spending was coming under strain. When a service area was earmarked for budget reductions, it would also be useful to know whether the service was statutory or non-statutory. It was suggested that there should be a greater justification for cutting a service than simply that it was non-statutory.
- In response, the Leader agreed that it was entirely possible to pull out the areas that were funded through time-limited or one-off funding streams. He went on to agree that just because a service was non-statutory did not mean that the Council should not provide it. It was also possible to look for an alternative method of delivery. It was important to look at what the Council was trying to achieve.
- The Chief Executive pointed out that in an area with both County and District Councils, it was the County Council that was responsible for the majority of demand-led services. At the same time, the majority of the income generating services, such as leisure and car parks, lay with the District Council. District Councils were therefore much more in control of their budgets. It was also important to remember that historical funding decisions had an impact on the starting point, ie if Children's Services had been underfunded in the past the current base budget may be insufficient.
- Members were reminded that in the past there had been a degree of frustration that some Cabinet Members were not willing to share information at an early stage. There was a need for greater trust between the administration and scrutiny. Pre-budget scrutiny needed to start now with consideration of emerging issues. In response, the Leader appreciated the suggestion that scrutiny could be involved before December and welcomed Scrutiny's role in proactive policy development, giving the example of previous scrutiny work on highways maintenance which fed into budget development. There needed to be a clear process so that all involved knew how budget scrutiny would work.
- The Chief Executive reminded the Board that, as

employees of the County Council, Officers worked for all Members and should give equal priority to all. The Chairman of the Children and Families O&S Panel informed the Board that, during the scrutiny of Overnight Short Breaks, some Officers did not appear to regard a request from Scrutiny as something to be prioritised. The Council did not have a culture of respecting Scrutiny. In response, the Chief Executive suggested that, if a Scrutiny Panel has asked for information and it was not forthcoming, the Panel should ask that officer to appear before them. The Chairman of the Board welcomed this.

- The Chairman of the Economy and Environment O&S Panel welcomed the fact that all Members of the Board agreed that more information was needed. A number of his Panel Members had experience in private business and were used to dealing with complex financial information. The information that was needed should be already available within the Directorates. The Chief Executive reminded Members that the rules surrounding public sector and local government finance were very different to those governing the private sector.

The Board went on to discuss action to be taken forward. The following points and suggestions were made:

- The budget scrutiny process should start earlier and should involve all Members.
- The process should facilitate the opposition's ability to propose budget amendments.
- Support should be provided for the work of scrutiny Members.
- Budget scrutiny should be a continuous process and the structure agreed should reflect this.
- All Scrutiny Panels should receive quarterly budget figures to allow a rolling process.
- Panels should have a standing budget item every 3 months and would be held to account by OSPB.
- The overall assumptions behind the budget should be considered by scrutiny possibly by OSPB.
- Scrutiny Panels would need to see previous years' figures in order to identify trends. Ideally this should be 3 years' figures and should include information on number of employees.
- All Members should be encouraged to become involved in the budget scrutiny process.

**1046 Member Update  
and Cabinet  
Forward Plan**

The Vice Chairman summarised the discussion as follows:

1. Scrutiny Panels and HOSC should receive quarterly budget updates including identification of trends.
2. Underlying assumptions (from leadership team and Government proposals which impact on these) should come to OSPB for discussion.
3. The level of budget focus should be in the area of £50k, depending on the Panel.
4. All Members should be encouraged to engage with the budget scrutiny process.
5. Budget Scrutiny work should be undertaken by the Panels as it is the foundation for future work.

Children and Families Overview and Scrutiny Panel

The decision on future provision of Overnight Short Breaks for Children with Disabilities would now be made at a meeting of Cabinet on 12 July, rather than as a Cabinet Member decision, as originally planned. In preparation, the Scrutiny Task Group would meet on 10 July to discuss the Cabinet report and formulate comments for the Cabinet Member.

The Children and Families O&S Panel would be meeting in August to consider the SEND Action Plan and feedback comments to the Cabinet Member before it was sent to OFSTED.

The planned meeting to discuss KS2 attainment with headteachers across the County had been delayed until October. All schools which covered KS2 would be invited to attend.

The Panel also intended to undertake a scrutiny exercise to consider the relationship between schools and the Family Front Door. Workload pressures had meant that this had not yet been started.

Economy and Environment Overview and Scrutiny Panel

The Panel had considered Community Transport at a recent meeting. Community Transport in Worcestershire provided 155,000 journeys per year and the County Council helped with contracts and grants. The Panel had considered how the County Council could further help, possibly with contingency planning and publicity.



The Panel had also looked at streetworks and how greater joined up thinking on roadworks could be encouraged.

The Panel had been encouraging the development of an app that would allow members of the public to report highways problems. It was hoped that it would be available within 6 months.

On 13 July the Panel would be holding a workshop to review the past year and plan its work programme for the coming year.

#### Adult Care and Well-Being Overview and Scrutiny Panel

The Panel had not met since the last meeting of OSPB so the Chairman was not in a position to provide an update. The Panel's next meeting would be held on 18 July.

#### Crime and Disorder

The OSPB's annual Crime and Disorder meeting would be held on 24 July and the Cabinet Member with Responsibility for Health and Well-Being would be attending. The focus for the meeting would be on modern slavery. The Board would also receive a presentation from the Safer Roads Partnership, looking at the strategy on safer roads and how it relates to services and functions of the County Council.

The report on LTP4 consultation successes would be available for the Board's next meeting.

#### Health Overview and Scrutiny Committee

Information on the new arrangements with regard to neighbourhood teams had been circulated to all Members.

The Committee's next meeting would bring together NHS and adult social care organisations to consider their responses to winter pressures.

#### Refresh of the Scrutiny Work Programme

The Chairman of OSPB asked Panel and HOSC Chairmen to consult with their Members on any amendments and/or additions to their work programmes, in preparation for a discussion at OSPB's September

meeting.

The meeting ended at 4.35 pm

Chairman .....