

BATH AND NORTH EAST SOMERSET

MINUTES OF CORPORATE POLICY DEVELOPMENT AND SCRUTINY PANEL

Monday, 15th July, 2019

Present:- **Councillors** Winston Duguid, Mark Elliott, Hal MacFie, Manda Rigby, Alastair Singleton, Shaun Hughes and Karen Warrington

Cabinet Member for Resources: Councillor Richard Samuel

Also in attendance: Andy Rothery (Head of Management Accounts), Andy Thomas (Head of Strategy Engagement & Marketing) and Donna Vercoe (Senior Scrutiny Officer)

1 WELCOME AND INTRODUCTIONS

Councillor Winston Duguid, Vice-Chair of the Panel announced that due to the absence of the Chairman, Councillor Paul Myers that he would act as Chair for the duration of the meeting.

He welcomed everyone to the meeting and Panel members introduced themselves.

2 EMERGENCY EVACUATION PROCEDURE

The Chairman drew attention to the emergency evacuation procedure.

3 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Councillors Paul Myers and Andrew Furse had sent their apologies to the Panel.

4 DECLARATIONS OF INTEREST

There were none.

5 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN

There was none.

6 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

There were none.

7 CABINET MEMBER UPDATE

Councillor Richard Samuel, Cabinet Member for Resources addressed the Panel. He explained that within his portfolio were not just financial resources, he also had components of property, economic regeneration, customer services and information technology.

He stated that his main work focus since taking office had been to redefine the Council's decision making timetable taking into account the financial reporting constraints and to introduce new performance management arrangements in connection with the Council's major projects and activities.

He said that there should be a transparent decision making process and that he wanted to work with the Panel in his role as Cabinet Member.

He explained that initial discussions on the Medium Term Financial Strategy would begin in September and that it may be possible at that stage for the Panel to receive a high level presentation.

The Chair thanked Councillor Samuel for his update on behalf of the Panel.

8 REVENUE & CAPITAL OUTTURN 2018/19

The Head of Management Accounts introduced this item to the Panel. He explained that the report presents the revenue and capital outturn for 2018/19, highlighting a net revenue over budget position of £0.92m. He said that the position had vastly improved through actions including a recruitment freeze that had been implemented during the financial year.

He added that the improvement has continued since the last report, which forecast an over budget position of £3.21m based on monitoring for the year to December 2018, mainly due to improvements in income generation within Heritage Services, and a reduction in capital financing costs arising from the review of the capital programme and rephasing of capital projects.

He stated that the 2018/19 approved budget included the requirement for the delivery of £16.99m of savings. He explained that the final outturn position included achievement of £13.58m or 80% of the savings target compared to 82% delivered in 2017/18. He added that savings items that are no longer deliverable in 2018/19 have been reviewed alongside other recurring budget pressures and have been incorporated into the financial planning assumptions for the 2019/20 budget. He said that it is expected that delayed savings totalling £3.4m will be delivered in 2019/20.

He informed the Panel that the Overall Dedicated Schools Grant for 2018/19 was £135.60m, however of this sum £84.63m was returned to the DFE to be allocated to academies, £20.75m was allocated to schools through funding formula, with the remaining £30.23m retained by the LA to support Special Educational Needs, central expenditure and Early Years.

He stated that the final outturn position on the Council Tax Collection Fund was a surplus of £0.691m for the Council's share, this represents a 0.8% variance against target income. He explained the reason for the surplus was mainly due to the number of chargeable dwellings being slightly higher than forecast. He said that the collection rate for Council Tax was 98.22% (98.12% 2017/18).

He said that the capital spend in 2018/19 was £88.043m (75%) against a budget of £117.185m giving a variance of £29.142m, primarily reflecting the delivery time to

complete projects moving into future financial periods. He added that of this variance, £29.042m is requested for carry forward to 2019/20 to cover re-phased costs of capital projects.

Councillor Karen Warrington asked if the 20% of savings not achieved was mainly attributable to Children's Services.

The Head of Management Accounts replied that the Home to School Transport budget was overspent in 2018-19 mainly due to the increasing demands of SEND pupils.

Councillor Richard Samuel, Cabinet Member for Resources commented that he recognised that it will be increasingly difficult for the Council to make savings. He added that in terms of the budget for next year, a longer timescale could be set with regard to savings. He said that more rigour was required in terms of savings and would appreciate Panel involvement in the process.

He stated that the Children's Services budget had recently been rebased, but was currently showing a £1.6m overspend.

Councillor Shaun Hughes asked if it were able to predict whether the overspend would continue for a further year.

Councillor Richard Samuel replied that he would look to start immediate conversations with service areas if problems reoccur and said that some solutions were not a quick fix.

Councillor Hal MacFie asked how any budget underspend is managed.

The Head of Management Accounts replied that a similar process is carried out and added that it was not good practise to ring fence any underspend. He said that if appropriate underspend can be put into reserves.

Councillor Hal MacFie asked if following cuts to staffing figures were there enough left to do the projects / work.

The Head of Management Accounts replied that staff reductions were well considered prior to implementation with managers asked to consider how there services could work differently.

The Chair asked if KPI's (Key Performance Indicators) were in effect in Customer Services.

Councillor Richard Samuel replied that they were, but not to the extent that he would like. He added that he would like to see more public facing measures to be judged upon.

The Head of Strategy Engagement & Marketing added that this was an opportunity to build in new ones linked to the Council's own priorities.

Councillor Hal MacFie asked if the Panel could see any proposed new indicators.

Councillor Richard Samuel replied that the Panel should have a role in shaping them.

Councillor Mark Elliott said that the development of the metrics used will be vital.

Councillor Richard Samuel said that he will look for the indicators to drive improvement.

The Chair commented that the current narrative regarding the Council's resources must be shared with the public to manage the expectation of supply -v- demand. He asked whether any Unitary Authority had visibility of their future funding.

Councillor Richard Samuel replied that there is uncertainty over the levels the Council will receive from the Better Care Fund and income from Business Rates and added that the current instability of national Government was not helpful.

The Head of Management Accounts gave the Panel a presentation on the Budget Monitoring Process, a summary is set out below.

- We report on our Revenue and Capital budgets quarterly to Cabinet, this looks at the financial forecast to year end against approved budget and delivery of savings.
- Our quarterly reports cover revenue monitoring against all of the Councils budget headings, the Capital Programme and detailed Savings monitoring
- The finance team also produces monthly Dashboard reporting that focusses on the high risk budgets across the Council, delivery of savings and emerging financial opportunities and risks for budget planning
- 2019/20 Savings Delivery and Assurance: Regular Directors Group Plus slots provide Director led updates on the implementation of plans and delivery of savings. The Current Budget has approved savings of £8.85m in 2019/20
- Slot 1: Delivery plan overview, covering: progress to date, resourcing requirements inc. finance and HR requirements / other support, implementation timescale, critical success factors, how will implementation impact ongoing service provision, assessment of savings deliverable in 2019/20, inc. impact on budget if phased implementation, risks / issues and requests to SMT / Directors Group Plus
- Slot 2: Savings delivery update: achievement against implementation timescale, what are the key achievements / success factors, savings delivered / savings to be delivered, risks / issues that need raising and support required from SMT / Directors Group Plus

Councillor Hal MacFie asked how timely the information will be that the Panel receives.

Councillor Richard Samuel replied that the Council calendar does not always match up with the financial reporting timescales which was why he was looking to introduce a new format from 2020.

Councillor Karen Warrington asked if the Panel could have input into these timetable changes.

Councillor Richard Samuel replied that he would share a draft of the calendar as soon as was possible.

The Panel **RESOLVED** to;

- (i) Acknowledge the Revenue & Capital Outturn Cabinet Report 2018/19.
- (ii) Note the presentation on the Councils financial monitoring process.

9 CORPORATE STRATEGY FRAMEWORK

The Head of Strategy Engagement & Marketing introduced this item to the Panel. He explained that the new Corporate Strategy will bring together the Council's key service commitments, its wider financial strategy and change programme, including initiatives such as moving to a more digital approach to service delivery and the priorities, plans and focus for change of the new administration.

He stated that the new Corporate Strategy will set the context for the Council's financial and budget strategy in light of the new administration's priorities and be built around a 4 -phase planning cycle.

- Phase One – Plan, prioritise and decide
- Phase Two – Gear up and start delivery
- Phase Three – Continue to deliver and realise benefits
- Phase Four – Review and future planning

He said that Policy Development and Scrutiny (PDS) members will have a key role throughout the lifetime of the Corporate Strategy, with particular aspects emphasised at certain phases in the planning cycle.

He explained that a programme of engagement on the draft Strategy will be carried out later on the year with a view to adopting the final version by February 2020.

Councillor Richard Samuel commented that the Corporate Strategy will translate political commitments into delivery. He added that it will bring forward the pledges made in the Liberal Democrat election manifesto into the structure of the Council.

He stated that key elements will include:

- Social Housing / Affordable Housing / Council Housing
- Clean Air Zone
- Local Bus Network

Councillor Amanda Rigby commented that February 2020 must be a definite end date for adoption and that if it can be earlier she for one would welcome that. She stated that our political goals need to be delivered and implemented.

Councillor Shaun Hughes said that project timescales should be available publicly.

Councillor Samuel agreed and said that in terms of Council Housing there was a process to be followed to allow delivery.

Councillor Karen Warrington commented that to enable a digital approach to service delivery rural area solutions will be needed. She said that she hoped the Strategy would not be Bath centric as public transport solutions are also required in North East Somerset. She asked what resources will be required to implement the Citizens Juries.

The Head of Strategy Engagement & Marketing replied that Citizens Juries comprise of a random selection of members of the public to consider a specific Council area of work. He added that they are briefed by experts on the topic in question. He said that the Council was working with the University of Bath to establish the resources required in respect of advisors and facilitation.

Councillor Samuel stated that the Strategy would be a document for the whole Council and acknowledged the need for public transport to be improved rurally. He added that housing opportunities were more likely to be focussed in North East Somerset due to land availability and price. He said that Parishes will be addressed as this work progresses.

Councillor Karen Warrington said that any development must come with the appropriate infrastructure including transport and local amenities.

Councillor Samuel said that he agreed that the Council should not create housing for low income families in areas without the appropriate facilities. He said that the Council will work with Parishes with regard to the location of any new housing.

Councillor Shaun Hughes commented that infrastructure investment was also required within Midsomer Norton.

The Panel **RESOLVED** to:

- (i) Note the emerging strategic themes, process and approach for the new Corporate Strategy
- (ii) Request that the Panel is updated regularly and involved in developing the new Corporate Strategy framework providing policy development, scrutiny and review of its implementation
- (iii) Agree that the Corporate Strategy should be accompanied by a rigorous, public-facing performance monitoring regime which highlights the Council's performance against planned delivery.

10 PANEL WORKPLAN

The Chair introduced this item to the Panel and asked if they had any proposals that they would like to be considered.

Councillor Karen Warrington asked for an update on the Corporate Strategy to be added to the workplan for September 2019.

The meeting ended at 5.50 pm

Chair(person)

Date Confirmed and Signed

Prepared by Democratic Services