

Our Council Scrutiny Panel

Minutes - 20 November 2019

Attendance

Members of the Our Council Scrutiny Panel

Cllr Alan Bolshaw
Cllr Payal Bedi-Chadha
Cllr Jane Stevenson (Vice-Chair)
Cllr Susan Roberts MBE
Cllr Simon Bennett
Cllr Dr Paul John Birch J.P.
Cllr Paula Brookfield (Chair)
Cllr Hazel Malcolm
Cllr Stephen Simkins

In Attendance

Cllr Louise Miles
Michelle Howell
Alison Shannon
Claire Nye
Kate Martin
Denise Pearce
Gail Rider
Earl Piggott-Smith

Cabinet Member Resources
Finance Business Partner
Chief Accountant
Director of Finance
Director of City Assets & Housing
Head of Human Resources
Head of ICT
Scrutiny Officer

Part 1 – items open to the press and public

Item No. *Title*

1 **Apologies**

Apologies were received from the following:

Cllr Roger Lawrence
Cllr Milkinderpal Jaspal

2 **Declarations of interest**

There were no declarations recorded.

3 **Minutes of previous meeting (4 September 2019)**

That the minutes be corrected to show Cllr Steve Simkins as attending the meeting on 4.9.19. The minutes of the meeting were approved as a correct record and signed by the Chair.

4 **Matters arising**

There were no matters arising from the minutes.

- 5 **Draft Budget and Medium-Term Financial Strategy 2020-2021 to 2023-2024**
Michelle Howell, Finance Business Partner, introduced the report and invited Panel members to comment on the budget proposals relevant to the remit and how they were aligned to the priorities of the Council.

The Cabinet Member advised the Panel that the Council was waiting for details of the financial settlement and specifically the level of funding support for Adult Social Care which is a key challenge. The delay in the publication of the Green Paper on the future of funding for Adult Social Care had added to the difficulties in responding to the challenge of meeting increasing levels of demand and rising costs of providing the service. The Government had stated that it was committed to bringing forward proposals to support adults and children's social care future funding provisions in due course.

The Panel discussed the approach taken by other local authorities across the West Midlands to meeting pressures on the social care budget. Claire Nye, Director of Finance, advised the Panel that an announcement on provisional local government settlement 2020-2021 was originally planned for December 2019, but was now unlikely to be announced until the new year at the earliest.

The Director of Finance commented on the range of external factors which had made it difficult for local authorities to plan with any degree confidence and the risks due to the lack of certainty about the level of future funding. The local authorities across the West Midlands continued to make representations to Government about future funding of the social care system.

The Panel discussed references in the election manifesto about the plans for funding adult social care in the future.

The Panel queried the presentation of gross expenditure and income figures in Table 1 of the report and reasons for why it was different from the private sector. The Director of Finance explained that local authorities are required to follow the standards published by CIPFA and also needed to comply with International Financial Reporting Standards. The Council followed the correct convention for the public sector, which was consistent with the format of the figure presented in the report. This was also consistent with the format of the Statement of Accounts, which were approved by Grant Thornton, who were the Council auditors.

The Panel queried the reference in the report to work being done to identify efficiencies in order to reduce the budget deficit in adults and children's services due to uncertainty about future levels of funding. The Director of Finance commented on the introduction of new working methods such as 'three conversations' in adult social care and work done in collaboration to improve the efficiency of services, as examples.

The Panel were invited to comment on the specific proposals detailed in the report. A summary of the key points is given below:

Communication Services Review

A member of the Panel welcomed the reduction in expenditure in the service and planned to generate income in the future.

Efficiencies through Contract Procurement and Management

No Panel comments

Finance Efficiencies

No Panel comments

Governance - Efficiencies

The Panel were advised that a new Director of Governance had recently been appointed and would be asked to identify efficiencies and new income generation opportunities. The Panel suggested that the Director of Governance be invited to a future meeting to give a briefing on priorities for the service. The 11 March 2020 was suggested as a provisional date.

HR Business Improvement Review

The Panel asked for clarification on the savings target for the proposal. The Head of Human Resources, explained that savings would be achieved by the introduction of new recruitment processes and changes in back-office arrangements, supported by the introduction of self-service systems.

Organisational Development Review

No Panel comments

Staff Terms and Conditions

No Panel comments

Resolved:

1. The Panel's comments on the Draft Budget and Medium-Term Financial Strategy 2020-21 to 2023-24 and the draft budget proposals relevant to the remit of the Panel to be included in the response to Scrutiny Board for consideration.
2. A final response to be finalised by the Chair and Vice Chair.
3. The Director of Governance to be invited to a Panel meeting on 11 March 2020.

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Medium Term Financial Strategy – Growth and Inflation Assumptions

Alison Shannon, Chief Accountant, introduced the report and advised the panel the report explained the financial assumptions used to prepare the Medium-Term Financial Strategy (MTFS). The Chief Accountant referred to the list of General Inflation Assumptions in Table 1 which have been built into the MTFS.

The Chief Accountant advised the panel that Table 2 details the specific growth assumptions to support specific services and respond to factors such as changes in demographic growth, increased demand for services.

The panel queried how future pay award increases are considered in the assessment. The Chief Accountant advised the panel that assumptions about the level of future pay awards and annual salary increments are included in the assessment. The panel welcomed the increased funding to support growth in response to increase demand in social care.

The panel discussed the link between the report and recent findings in the treasury management report assumptions. The panel queried the impact as a result of the increase in the loan rate of PWLB on the financial assumptions. The Cabinet Member for Resources advised the panel that the Council would continue to ensure best value.

Resolved:

The panel agreed to note the report.

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Our Council Scrutiny Panel Draft Work Programme 2019/20

Earl Piggott-Smith, Scrutiny Officer, presented the report and invited panel members to comment and add topics that fall within its remit. The panel suggested it would be helpful to get a future report on the impact of climate change on council finances and implications for growth and inflation assumptions.

The panel commented on the plans to increase number of city centre properties and suggested that it would be helpful to consider the impact on the environment and specific carbon reduction targets of these plans. Kate Martin, Director of City Assets & Housing, agreed to ask representatives of Wolverhampton Homes who were already scheduled to present the annual report on 11 March 2020 to include a reference to a response the recent climate change declaration.

Resolved:

The panel work programme to be updated to reflect issues discussed during the meeting.

The meeting ended at 19:45