

DORSET COUNCIL - RESOURCES SCRUTINY COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 30 SEPTEMBER 2019

Present: Cllrs Piers Brown (Chairman), Mike Parkes (Vice-Chairman), Beryl Ezzard, Brian Heatley, Sherry Jespersen, Howard Legg and David Shortell

Also present: Cllr Tony Alford (Cabinet Member for Customer, Community and Regulatory Services) and Cllr Peter Wharf (Cabinet Member for Corporate Development and Change)

Officers present (for all or part of the meeting):

Aidan Dunn (Executive Director - Corporate Development S151), Lee Ellis (Scrutiny Officer), Heather Lappin (Head of Strategic Finance), Sarah Longdon (Head of Transformation Team) and Helen Whitby (Senior Democratic Services Officer)

9. Apologies

Apologies for absence were received from Councillors Andy Canning, Barry Goringe and Julie Robinson.

10. Declarations of Interest

No declarations of disclosable pecuniary interests were made at the meeting.

11. Minutes

The minutes of the meeting held on 16 July 2019 were confirmed and signed.

12. Public Participation

There were no statements or questions from Town and Parish Councils at the meeting:

There were no public statements and questions at the meeting:

13. Urgent items

There were no urgent items.

14. The future of the Revenue and Benefits Service in Dorset

The Chairman referred to the expected report on the future of the revenue and benefits service in Dorset and asked for an explanation as to why this had not been provided. The Executive Director - Corporate Development explained that residents of Dorset Council currently received their revenues

and benefits service from two organisations; the 'in-house' Dorset Council Revenues and Benefits team served residents in the west of the Council area whilst the Stour Valley and Poole Partnership (SVPP) revenues and benefits service supported residents in the East of the Council area. Consideration was being given as to the optimum future arrangement for Dorset Council and an options appraisal had been started as to whether to:

- 1) Do nothing
- 2) Create a single service for Dorset Council
- 3) Create a pan-Dorset service.

To enact any change in April 2021, notice needed to be given to Bournemouth, Christchurch and Poole Council (BCP) by 31 March 2020. The report was to have set out the options but more recently questions had been raised as to whether these were the right options. Officers were therefore not in a position to be able to advise on options. It was hoped that these would be developed before the end of the year. These would then be scrutinised at the beginning of 2020 with the Cabinet making a decision by March 2020, in time for an implementation date of 1 April 2021.

With regard to the Stour Vale and Poole Partnerships Scrutiny meeting the previous week, the Director thought this would have considered the incomplete options appraisal. However, the Cabinet Member for Finance, Commercial and Assets was clear that the future of the service would be decided by Dorset Council albeit with input from the Partnership.

One member referred to the potential difficulties of having two scrutiny bodies considering the same matter and was unhappy that one of these bodies had seen a report which the Committee had not. She hoped that this would not be repeated.

The Chairman stated that the Committee's role was to ensure that the recommended option was the right one for Dorset Council.

The Chairman apologised for the report being withdrawn during the time he had been away and for today's items having no paperwork for members to consider ahead of the meeting. He thought this was a disservice to members in that they had been unable to prepare ahead of the meeting and add value to the work being undertaken.

15. 2020/21 Budget Briefing

The Committee received a presentation from the Executive Director - Corporate Development and the Head of Strategic Finance on the budget for 2020/21. This provided information which would enable the Committee to scrutinise the budget proposals at their next meeting on 26 November 2019.

The presentation covered the current budget position and projected overspends for 2019/20, the Medium Term Financial Plan (MTFP) and key variables, the ambition to see a balanced budget over the next ten years, the

2020 spending round, Dorset Council's Plan and priorities, values, behaviours and principles, and the Council's budget setting process.

In response to questions it was explained that although there were projected overspends for adults and children's services, there was a projected underspend in Corporate Services and other directorates were broadly on budget; Council tax and business rates had been factored into the MTFP and there was some flexibility within the process; Council tax support was based on the assumption that it remained at the same level but financial modelling was able to be refined when more information became available; the additional national funding (£14B) for schools might provide additional support for the most vulnerable children and ease some of the financial pressure on the Council for the provision of educational health care plans; and it was not yet known what effect the additional Government funding would have on spend per pupil.

The Committee would scrutinise the budget at its meeting on 26 November 2019 with members having the opportunity to see the information prior to the meeting. The financial settlement was expected in early December and the budget would be considered by the Cabinet in January 2020 and the Council in February 2020.

One member wanted to be satisfied that the budget process was robust. The Executive Director asked members to provide him with questions they would like to ask in advance of the meeting on 26 November 2019 so that he could ensure these were addressed.

With regard to financial modelling, the Chairman asked the Executive Director to send a list of current and future variables to members following the meeting. This would help members better understand the process and their impact on the budget.

Members noted that discussions with directorates to look at options to address budget gaps were to start the following week. Adults and Children's Services had transformation plans in place but there was a need to generate options to address the budget shortfalls. Other Directorates without projected shortfalls would be expected to find efficiencies and there would be savings arising from the Tranche Two Transitional Structure review.

One member questioned whether the Council's priority for climate change had been taken seriously as the potential impact of its cost would need to be understood before the Council could make an informed decision about its impact on the budget. It was suggested that climate change should be included as one of the key variables but the Executive Director explained that this would be factored in to service plans but was not currently explicitly shown.

Reference was made to the Council's statutory obligations for service provision and the need for investment in non-statutory services in order to ease pressures on statutory spend. Some members were unclear as to what statutory services included and others were of the view that the Council

should not necessarily concentrate on these but on the Council's moral obligation to deliver services that residents needed. It was important for members to understand statutory obligations in order for them to be able to assess the most effective and efficient way for their provision.

With regard to whether discussions with Directorates would include income generation, cost recovery and profit generation, it was explained that the assumption was that prices would reflect inflation modelling and would ensure full cost recovery. Members noted that benchmarking with other local authorities regarding prices was undertaken. The Chairman was keen that the Council deliver the best services possible at the best market price and members thought that commercial activity assumptions should be re-examined to ensure that prices were set at the right level for the new Council.

The Chairman thanked officers for their presentation.

Resolved

That a list of current and future variables be sent to members following the meeting.

16. Dorset Council's Transformation Plan

The Committee received a presentation from the Cabinet Member for Corporate Development and Change and the Head of Transformation Team which explained the Council's Transformation Plan 2019-24.

The presentation set out what transformation meant for the Council, its purpose and high level objectives, the six programmes involved (one Council service reform, customer service, travel and transport, property and estates, employer of choice and efficient organisation), the governance structure, transformation benefits, the approach to delivery, the design principles, the transformation budget, communications and engagement, connecting the Council's priorities and transformation objectives and the measures of success.

Members commented that the success of the transformation programme rested on how radical the Council was and having the courage to prioritise services to reflect the changing economy and residents' needs. It was explained that the Plan was based on the Council being bold, ambitious and radical and on what was best for its customers within the financial constraints. It was a co-ordinated programme with everyone in the Council having a part to play.

Each directorate had its own internal transformation programme which had been ongoing for some time. The Chief Executive, Executive Directors and scrutiny committees provided the necessary challenge. There was a need for the Council to think differently and use its capital assets for little or no return if there was a social need.

Members understood the need for transformation but asked about the Council's attitude to risk. It was explained that each Executive Director took

account of risk within his/her budget. The Cabinet Member for Corporate Development and Change had established a group to review adult and children's services budgets because of the slippages and to gain a better understanding of the demands and enable the Cabinet to provide appropriate support. The Council's culture needed to change to empower staff to take reasonable risks as long as this was for the right reasons. Members recognised that clear policies would be needed to empower staff to make decisions and take risks.

The Committee noted that the draft Council Plan would be considered by the Cabinet the following day and a more detailed transformation plan would be considered by the Cabinet in November 2019. The Cabinet Member for Corporate Development and Change added that members had already had an opportunity to influence the Council Plan and, if agreed at Cabinet, there would be a further opportunity for comment during the consultation period with stakeholders and the public.

With regard to what other local authorities were doing in relation to transformation, the Cabinet Member for Corporate Development and Change reported on conversations he had with other local authorities at a recent Local Government Association. He reminded the Committee that it was important for the Council to work differently in order to make savings and provide better services.

One member drew attention to the lack of cross-party involvement in budget setting and highlighted the reliance on super-broadband and the delay in its delivery. The Cabinet Member for Corporate Development and Change agreed that broadband coverage was not good enough and had sent a personal letter to BT about this. The Executive Director for Place was arranging a meeting with BT's Managing Director to address this issue.

One member found the information provided helpful but questioned how people, who had been providing services in the same way over a number of years, could think radically about future service provision. The Executive Director explained that there were 200 different change projects taking place within the organisation, that new members of staff were bringing new ideas into the organisation and, when necessary, external expertise was being sought. The forthcoming peer review would also provide an opportunity to learn from other local authorities.

The Chairman thanked officers for their presentation.

Noted

17. Resources Scrutiny Committee - Forward Plan

The Committee considered its Forward Plan.

Noted

18. **Cabinet Forward Plan**

Noted

Duration of meeting: 10.00 - 11.50 am

Chairman

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