

Minutes of the Scrutiny Committee Meeting held on 30 November 2016 at 10:00 am in the King Edmund Chamber, Endeavour House, Ipswich.

Present: Councillors Mary Evans (Chairman), John Field (Vice Chairman), Helen Armitage, Stephen Burroughes, Jessica Fleming, Sandra Gage, Sandy Martin, Robin Millar, Bert Poole, David Ritchie, Andrew Stringer and Robin Vickery.

Also present: Councillor Colin Noble, Leader
Councillor James Finch, Cabinet Member for Highways and Transport
Councillor Tony Goldson, Cabinet Member for Health
Councillor Matthew Hicks, Cabinet Member for Environment and Public Protection
Councillor Beccy Hopfensperger, Cabinet Member for Adult Care
Councillor Christopher Hudson, Cabinet Member for Ipswich
Councillor Gordon Jones, Cabinet Member for Children's Services, Education and Skills
Councillor Richard Smith MVO, Cabinet Member for Finance and Heritage

Councillors Mandy Gaylard, Inga Lockington and Bill Quinton

Mr Paul McIntee, co-opted member of the Education and Children's Services Scrutiny Committee

Supporting officers present: Deborah Cadman, Chief Executive
Geoff Dobson, Director of Resource Management (RM)
Tracey Woods, Chief Accountant, Financial Control
Sue Cook, Corporate Director for Children and Adults
Gavin Bultitude, Assistant Director
John Lewis, Assistant Director, Adult and Community Services (ACS)
Andy Plummer, Finance Business Partner, ACS
Richard Hunt, Head of Service, Culture, Libraries, Sport and Communities, ACS
Stephen Taylor, Development Manager, ACS
Allan Cadzow, Service Director, Children and Young People's Services (CYP)
Sarah Vize, Lead for School Transport, CYP
Abdul Razaq, Director of Public Health (PH)
Amanda Jones, Assistant Director, PH

Graham Crisp, Joint Interim Head of Trading Standards,
PH

Mark Hardingham, Chief Fire Officer

Aidan Dunn, Assistant Director, RM

Mark Stevens, Assistant Director, Operational Highways,
RM

Steve Palfrey, Head of Waste, RM

Theresa Harden (Business Manager, Democratic
Services) Linda Pattle (Democratic Services Officer).

20. Public Participation Session

Mr Tony Brown, Chair of the Board of Suffolk Libraries IPS, addressed the Committee in relation to Agenda Item 5. He outlined the savings and achievements of Suffolk Libraries in the last year, and attributed them in part to the work of volunteers, whose contribution had been estimated in financial terms at approximately £1m. He expressed the view that Suffolk Libraries was still delivering a gold standard library service, providing support for many different groups, including young people, older people and those seeking to create employment opportunities. However, he warned that Suffolk Libraries was reaching a tipping point and further funding reductions would inevitably lead to damage or degradation of the service and the demoralisation of staff, volunteers and communities. Suffolk Libraries recognised the difficult financial position faced by the County Council and had presented a plan in June 2016 which he considered would have delivered savings over a three-year period with minimum negative impact on libraries. However, this proposal had been rejected. He believed that Suffolk Libraries could attract £1m of external funding, but only if it could prove that it was financially viable. The service could do more to promote the Council's objectives provided it had help in meeting the investment costs attached to new initiatives. Mr Brown reminded the Committee that in 2015 it had recommended that reductions in grants to libraries should be funded from reserves, and he urged the Committee to make a similar recommendation in relation to the 2017/18 budget.

21. Apologies for Absence and Substitutions

Apologies for absence were received from Councillor Trevor Beckwith (substituted by Councillor Andrew Stringer), Councillor Peter Beer (substituted by Councillor Stephen Burroughes), Councillor Kathy Bole (substituted by Councillor Helen Armitage), Councillor John Burns (substituted by Councillor Bert Poole) and Councillor Len Jacklin (substituted by Councillor Sandy Martin).

22. Declarations of Interest and Dispensations

There were no declarations of interest or dispensations.

23. Minutes of the Previous Meeting

The minutes of the meeting held on 30 September 2016 were confirmed as a correct record and signed by the Chairman.

24. Pre-Cabinet Decision Scrutiny of the 2017/18 Revenue and Capital Budget

At Agenda Item 5 the Committee considered a report, setting out information to assist in the scrutiny of the County Council's budget setting process for 2017/18. The report provided information about the current financial position of the County Council and outlined the process and proposals that had been developed to set the budget for 2017/18.

The Committee had an opportunity to ask questions of Cabinet Members and officers with regard to the following topics:

Corporate

- What is the impact of the national economic situation upon the County Council's budget?
- How does the current budget compare with previous years, in gross terms?
- What is the forecast budget gap to 2020?
- What assumptions about levels of funding and financial pressures have been relied upon in this forecast?
- What is the corporate process for developing budget proposals?
- What has been the corporate approach taken to consulting the public?
- From 2011/12 to date, what level of reserves has been forecast, what was the actual balance, and what are the plans for reserves in 2017/18?
- To what extent has the capital programme set in previous years been spent, and what is the draft programme for 2017-2020?

In relation to each service area:

- What is the current budget, how is this allocated across the Directorate, what is the forecast outturn for 2016/17, and how is the budget expected to change in 2017-18?
- What are the current and future budget pressures for this service?
- What difference have transformation programmes made to date and how is the impact measured?
- What are the proposals for the service to set a balanced budget for 2017/18?
- What consultation and engagement has taken place with stakeholders (including public sector partners, local communities, the voluntary and community sector and service users)?
- What is the assessment of the impact of proposed changes on:-
 - i) residents, particularly those most vulnerable in the community?
 - ii) partner organisations?
 - iii) the quality and quantity of services available to meet need?
- What are the uncertainties/risks associated with the proposals, including risk to the delivery of the Council's statutory responsibilities and the ability to provide sustainable services?

These questions were answered in a report at Evidence Set 1 appended to the report at Agenda Item 5.

The Director of Resource Management gave a presentation outlining his initial views on the anticipated impact of the Chancellor of the Exchequer's Autumn Statement (published on 23 November 2015).

The Leader of the Council made some introductory remarks about the budget consultation process, acknowledging that all local government bodies were under great financial pressure. He paid tribute to the hard work by County Council staff to deliver the budget set in February 2016 and highlighted the need to protect services for the most vulnerable, whilst at the same time focussing on the long term viability of the Council.

The Chief Executive described how County Council employees were made aware of the context surrounding the budgetary pressures. She outlined the results of a recent staff survey which showed that staff were committed to helping the people of Suffolk. They had a positive attitude to new ideas and understood the need for the organisation to be agile. Overall, the survey results suggested staff were well placed to meet current challenges. The Council had also been short-listed for five Local Government Chronical national awards.

The Cabinet Member for Finance stated that considerable lobbying was taking place behind the scenes to make central government aware of the very difficult situation facing all county councils. He reminded members that the budget figures could change before the Council made its final decision on 9 February 2017. He looked forward to a useful debate on the issues to be scrutinised.

Recommendation: The Committee agreed:

- a) To acknowledge the good work done to find efficiencies and savings, and to recognise the difficulty of producing a balanced budget in the current period of tight constraints on public sector spending.
- b) To ask the Cabinet Member for Finance and Heritage to reconsider the risk to continuity of service from those areas where there are relatively small reductions in funding (such as culture, heritage and sport, library services, trading standards, strategic development) and whether the financial risk to the Council, if such services were lost or curtailed, is proportionate to the relatively modest savings involved.
- c) To recommend to the Leader of the Council, the Cabinet Member for Finance and Heritage and the Director of Resource Management:
 - i) That opportunities for income generation should be fully explored.
 - ii) That the following information should be included as part of the report to the Cabinet on 24 January 2017:

Corporate

- Further details about the Highway Needs Based Capital Maintenance line in the Draft Capital Programme 2017-20, giving a breakdown of the figures under clear headings;
- The Council's response to the information gathered from the budget consultation exercise (whether provided at meetings or online);

- A table providing an analysis of income streams;
- A table showing earmarked reserves for the previous three years (projected and actual);
- A breakdown of service reserves;
- Information as to how Suffolk's budget per capita compares with comparator authorities.
- A list of voluntary and community sector organisations affected by reduction in grants, whichever department the funding has been coming from, together with a narrative on the anticipated impact of these reductions.

Children and Young People's Services (CYP)

- A breakdown of the budget line for Early Help and Specialist Support (£61.61m in 2016/17 and £65.91m in 2017/18).
- Further breakdown of the "Home to School Transport" line, if possible in a matrix showing school type and transport type (ie dedicated bus, commercial bus, taxi etc).

Resource Management

- Clarification as to whether the councillors' highways budgets will carry forward after the County Council elections in May 2017.
- A breakdown of the support services savings.
- Information about the highways schemes connected to the Park and Ride proposals and how much they are expected to cost

d) To request information bulletins setting out:

- how the On Street Parking Account will be used in 2017/18;
- a list of voluntary and community sector organisations commissioned to provide services;
- a table setting out what Supporting Lives Connecting Communities has achieved to date and is forecast to achieve in terms of managing down demand for ACS services (by Tier), for the next two years and at least the two previous years;
- details about how assessments for Disabled Facilities Grant are being undertaken/delivered and the performance of this service;
- the number of people assisted through Housing Related Support over the last three years and projected in the year ahead;
- figures to demonstrate how successful changes to fostering services have been;
- further information about new mechanisms for bidding to provide school transport;
- further information about the public health budget and services provided;

- analysis of the costs of County Council accommodation occupied by County Council staff and rented out, including numbers of people accommodated, area involved and total cost.
- e) That all councillors should be encouraged to sign up to the Trading Standards weekly “scams” alert and to promote these messages within communities.
 - f) That the Cabinet Member for Highways and Transport should be asked to consider whether steps could be taken to improve the online tool for reporting highways defects by providing a “smarter” response to users.

Reason for recommendation:

- a) The Committee recognised that since 2011/12 the Council had made savings in excess of £200m. This was a considerable achievement and reflected the expertise of the financial management team and the ability of staff to develop and adapt to new ways of working.
- b) Members questioned whether sufficient consideration had been given to the possibility that relatively small reductions in funding could have disproportionate unintended consequences. They were aware that the factors driving demand were complicated, and that actions aimed at reducing demand in one area could lead to unforeseen increases in another. The Committee also considered that there could be tipping point beyond which a valuable service might be rendered ineffective, and members wished to be assured that in these cases the Cabinet Member had fully considered the potential implications of these funding reductions.
- c) i) The Committee was aware that over the next decade the Council would need to generate significantly higher levels of income in order to become self-sustaining in the longer term. Members appreciated that some progress had been made through the creation of divested companies such as Concertus, Vertas and Barley Homes. However, they thought that more could be done, and wished to see every opportunity for income-generation fully explored. It was suggested that this should include consideration of the establishment of a Suffolk-based lottery, although some members were opposed to this idea.
- c) ii) Members found the information provided in Evidence Set 1 very useful, but considered that it would be helpful to receive further details on a range of topics as set out in recommendation (c) (ii) above to assist the Council in its final consideration of the budget proposals in February 2017.

The Committee was aware that the Cabinet Member for Finance and Heritage and the Director for Resource Management had attended meetings across the county in order to consult on the budget proposals and members wished to know what responses they had received, particularly from voluntary organisations, parish councils, area committees and library services. Members recognised that in the past the Council had made grants to voluntary bodies, whereas currently there was a move towards a more sustainable approach of commissioning voluntary bodies to deliver services. They wished to understand in more detail what impact this was having on the voluntary sector.

Members also wished to receive more information about the projected and actual use of earmarked reserves in order to understand why some earmarked reserves appeared to remain underspent or unspent.

The Committee was aware that all county councils were faced with difficulties in setting a balanced budget, and they wished to know how Suffolk compared with similar rural counties.

The report stated that saving RM4 related to a proposal to spend £3.5m less on support services in 2017/18. Members wished to have further information about what proportion of this figure would be from transformational efficiencies, and what proportion from savings through reduction in headcount.

d) The Committee requested Information Bulletin items for the following reasons:

- Members heard that in future income from on street parking would be used for civil parking enforcement, and they wished to know more about this.
- It was anticipated that the new approach to commissioning services from voluntary organisations would create a more sustainable model. The Committee therefore wished to be informed what kind of services had been commissioned, and from which voluntary organisations.
- The Committee heard that Supporting Lives Connecting Communities was the key programme aimed at managing down demand for services in ACS. Members wished to receive more details about past achievements and future plans, in order to gauge the effectiveness of the programme.
- It was suggested that district and borough councils were unable to spend the full Disabled Facilities Grant because the County Council was not carrying out a sufficient number of assessments. The Committee wished to understand the arrangements for conducting these assessments and how this service was performing.
- Members were aware that Housing Related Support was a relatively cost effective means of supporting people to remain independent and avoid the need for higher level intervention/support, which was a key element of the Council's strategy. In light of this, they requested further information about the impact of past and projected funding reductions.
- The Committee was aware that changes had been made to the arrangements for fostering placements, and members wished to receive an update on the impact of these changes.
- The Committee heard that a change in public procurement regulations had created opportunities for the use of dynamic purchasing systems and e-auctions. Members wished to receive further information about these new bidding processes.
- The Committee heard that the main strands of expenditure from the ring-fenced Public Health budget were: drug and alcohol misuse;

sexual health; healthy lifestyle; health visitors and school nurses; and smaller contracts with GPs and pharmacists. The Committee considered it would be useful for councillors to have a better understanding of the services provided through public health funding.

- The Committee wished to receive further information about the Council's property holdings and asset disposal strategy, and the extent to which this was achieving value for money, although they acknowledged that money raised from the sale of property had no effect on the revenue budget.
- e) The Committee heard that Trading Standards were very active on social media channels to make people aware of scams, and they wished to encourage councillors to disseminate the information.
- f) Members found the online tool for reporting highways defects useful and user-friendly, but they considered that it could be improved to make it easier for members of the public to understand whether a defect had already been reported, whether action was planned and when this was likely to happen.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

The meeting was adjourned for lunch between 12:50 and 1:30 pm.

Councillor Helen Armitage left the meeting at 2:30 pm.

25. Information Bulletin

The Committee received an Information Bulletin at Agenda Item 6.

26. Key Decision Forward Plan and Scrutiny Forward Work Programme

At Agenda Item 7 the Committee received the Key Decision Forward Plan and the Scrutiny Committee forward work programme

Decision: The Committee agreed:

- a) That the Task and Finish Group on Procurement and Contract Management should be re-convened with its original membership (Councillors Evans, Fleming and Jacklin) and be asked to:
 - i) Evaluate the role of the County Council's legal support structure in relation to procurement and contracting.
 - ii) Seek further information to establish the effectiveness of the schools building framework and whether there were opportunities to improve this programme by providing for early/design stage contractor engagement.
 - iii) Review progress with steps being taken to improve councillor involvement in procurement and contract management.
 - iv) Investigate these points and report back to the Committee in an information bulletin with its findings, alongside an update on progress against the Task and Finish Group's recommendations, in early 2017.

- b) That the Forward Work Programme should be amended as follows:
 - i) The work of Barley Homes (Group) Ltd housing development company to be considered at the Committee's meeting on 7 February 2017, in addition to Blue Light Collaboration.
 - ii) The item on Waste Management to be postponed until after the May 2017 council elections, and to involve district and borough councils.
 - iii) The meeting on 8 March 2017 to be a full day devoted to the Upper Orwell Crossings Project and the Lowestoft Third Crossing Project (one in the morning, one in the afternoon).
 - iv) The following topics to be considered for inclusion in the Programme after May 2017: Broadband; the New Anglia Local Enterprise Partnership; income generation; and a full day on the Transformation Programmes as set out below.
 - v) A full day to be arranged after May 2017, to explore the County Council's transformation programmes and include consideration of:
 - a. ways in which alternative funding mechanisms were being used;
 - b. how the County Council was working to invest in the voluntary and community sector to reduce demand for services;
 - c. how the Council was investing in commissioning to drive efficiencies and how return on investment was measured;
 - d. the extent to which savings were being achieved through joint working;
 - e. the review should include involvement of representatives from the voluntary and community sector.

Reason for decision:

- a) The Committee recognised that the Task and Finish Group on Procurement and Contract Management had identified further issues for scrutiny, so the Committee wished it to reconvene and complete its work.
- b) Members were aware that the Cabinet would be considering a five-year business plan for Barley Homes Group Ltd, and the Committee wished to scrutinise the work of this housing development company on 7 February 2017, at the same meeting when Blue Light Collaboration would be considered.

The Committee considered that in March 2017 it would be timely to scrutinise the Upper Orwell Crossings Project and the Lowestoft Third Crossing Project. Consequently, consideration of Waste Management was deferred.

Members suggested a number of new topics for scrutiny in the period after the Council's elections in May 2017. In particular, they considered it would be valuable to scrutinise the Council's transformation programmes because they were fundamental to its plans to continue to produce a balanced budget.

Alternative options: None considered.

Declarations of interest: None declared.

Dispensations: None noted.

27. Urgent Business

There was no urgent business.

The meeting closed at 5:15 pm.

Chairman