

## **Minutes of the Resources and Transformation Scrutiny Committee**

**Tuesday 17<sup>th</sup> November, 2015 at 6.00 p.m.**  
**In Committee Room 2, The Council House, Dudley**

### **Present:**

Councillor D Blood (Chair)  
Councillor B Cotterill (Vice-Chair)  
Councillors C Baugh, P Harley, I Kettle, M Mottram, C Perks, D Perks,  
M Rogers, E Taylor and Q Zada

### **Officers:**

M Bowsher (Chief Officer Adult Social Care) – Lead Officer to the Committee,  
P Tart (Strategic Director Resources and Transformation), M Williams (Chief  
Officer Corporate and Customer Services), I Newman (Chief Officer Finance  
and Legal Services), S Beckett (Head of Customer Services), R Cooper  
(Head of Financial Services), J Croft (Finance Manager) and K Griffiths  
(Democratic Services Officer) – Resources and Transformation Directorate

#### 16 **Councillor Mary Roberts**

The Chair referred in sympathetic terms to the recent death of Councillor Mary Roberts. He also referred to the people who lost their lives and had been affected by the recent terrorist attacks in Paris. The Committee observed a period of silence as a token of respect to their memories.

#### 17 **Apologies for Absence**

Apologies for absence from the meeting were received on behalf of Councillors S Clark, B Etheridge, T Herbert and P Miller.

#### 18 **Appointment of Substitute Members**

It was reported that Councillors P Harley, D Perks, C Perks and I Kettle had been appointed to serve in place of Councillors S Clark, B Etheridge, T Herbert and P Miller for this meeting of this Committee only.

Members of the Committee expressed their disappointment that Councillor B Etheridge had not attended a Scrutiny Committee in the 2015/16 municipal year and suggested that his place on the Committee be reconsidered should he be unable to fulfil his position.

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19      **Declarations of Interest**

No declarations of interest, in accordance with the Members' Code of Conduct, were made in respect of any matter to be considered at this meeting.

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20      **Minutes**

**Resolved**

That the minutes of the meeting of the Committee held on 14<sup>th</sup> September, 2015, be approved as a correct record and signed.

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21      **Public Forum**

There were no issues raised under this agenda item.

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22      **Medium Term Financial Strategy**

A joint report of the Chief Executive, Chief Officer Finance and Legal Services and Strategic Director Resources and Transformation was submitted on the Medium Term Financial Strategy (MTFS) to 2018/19, with emphasis on those proposals relating to the Committee's terms of reference. Items directly relevant to this Committee were those in relation to the Resources and Transformation Directorate as set out in paragraph 29 and Appendices A and B of the report submitted.

The Chief Officer Finance and Legal Services gave an overview of the report, highlighting the significant financial challenges that the Council was currently facing. He referred to key paragraphs within the report and indicated that definitive Revenue Support Grant (RSG) and other government funding allocations would not be released until December 2015, however he stated that the proposals outlined in the report for 2016/17 to 2018/19 had provisionally been set on the forecast based on the Chancellor's Summer Budget and the implied reduction in funding to unprotected areas.

Specific reference was then made to paragraph 34 of the report submitted, which outlined the base budget forecast and the impact on spending pressures, saving proposals and redundancy costs. He indicated that, based on current forecasts and proposals, balances would not be sufficient to fund the deficit at the end of 2016/17. It was therefore requested, in order to rectify the position and to set a lawful budget, all Directorates identify and provide additional saving proposals that could be implemented from 2016/17.

In concluding, he informed the Committee that a special meeting of the Cabinet would be held in January, providing the opportunity for Scrutiny Committees to undertake further budget scrutiny as necessary prior to the submission of the final budget proposals to the Cabinet and Full Council in February.

A copy of the report was circulated to Members with the agenda papers and a copy was available on the Committee Management Information System (CMIS).

Members were reminded that questions within the remit of the Resources and Transformation Scrutiny Committee would be responded to during the meeting. Other directorate budgets would be scrutinised at the other Scrutiny Committees prior to the Overview and Scrutiny Management Board on 24<sup>th</sup> November, 2015.

Following the presentation, Members raised questions and comments on the budget proposals. It was noted that comprehensive written responses would be circulated to Members of the Committee on the key questions asked. These are summarised below.

In responding to a question from a Member, the Chief Officer Finance and Legal Services outlined the breakdown of percentage of savings in each Directorate as far as the Budget was concerned.

Reference was made by Members of the main opposition group that at Cabinet on 28<sup>th</sup> October, 2015 it had been agreed to circulate relevant budget preparation proformas to the opposition spokesperson for Finance and Legal Services, however, disappointment was expressed that this had since been withdrawn.

- Members requested details of the budget pressure in relation to the Corporate Transformation Restructure outlined in Appendix A, Spending Pressures, to the report submitted.

In responding, the Strategic Director Resources and Transformation highlighted the extremely serious position the Council was in and that urgent action was needed to resolve pressures. In emphasising the need for cross-party support, he stated that a meeting to discuss the Council's overall strategy would be taking place shortly between Officers and Members of each political group to discuss the future direction of the Council in terms of re-designing how the Authority carried out its business going forward.

He indicated that the intention was to invest additional funds to bring in expertise and to build the skills and capacity of the corporate transformation team, to work with a strategic partner to do the radical redesign work and assess requirements to alleviate budget pressures.

- Members expressed concern in relation to the savings proposed for ICT staff, software and hardware costs and requested details of how

the saving would be made.

The Chief Officer Finance and Legal Services referred to a recent soft market testing exercise conducted with external companies which had provided valuable information and identified various efficiencies that could be utilised to support the savings required. He listed the various types of saving proposed and indicated that in order to meet the budget reductions in that particular service area, these would be met by ongoing restructure, allowing the opportunity to combine teams and shared service opportunities, resulting in reduced staffing and improved procurement activity. He further indicated that the saving of approximately 13.8 full time equivalent posts, some of which were vacancies, was also proposed. Additional types of savings proposed related to the possible increase of automation and self-service activity, reduced maintenance costs, following investment in infrastructure, rationalising licensing costs, accommodation and training.

Whilst it was acknowledged that the proposed savings would not be easy, the Chief Officer Finance Legal and Services was confident that the proposed budget savings required, taking into consideration the saving identified, were achievable.

The Chief Officer Finance and Legal Services undertook to provide a breakdown of the savings required in each service area.

- Members requested details of how the proposed saving would be made in Corporate and Customer Services.

In responding, the Chief Officer Corporate and Customer Services indicated that the savings identified would be met from the reduction of 10 full-time equivalent posts, mainly in Revenues, Benefits and Dudley Council Plus. He provided a breakdown of the number of and the areas where these reductions would be made and stated that he hoped to manage the reductions by voluntary redundancy and not filling vacancies, however, he could not rule out compulsory redundancies at this stage.

General comments were made in relation to how services would continue to be provided at the level expected by customers with the reduced resources and staffing available.

A Member referred to negative comments received at a recent Community Forum in relation the service provided by Dudley Council Plus when trying to contact the Council and feared that should reductions in staff be made, the service would be placed under added pressure providing the opportunity for further complaints. In responding, the Head of Customer Services reported that he was aware of the comments made and indicated that an extensive investigation had been carried out in relation to that particular issue and explained the action taken. He reported on the performance of Dudley Council Plus and indicated that in most months, staff answered

in excess of 80% of calls. It was, however, acknowledged that complaints were received and in specific cases required investigating, with the outcome of facts usually differing from that of the complainant. He assured Members that the services provided by Dudley Council Plus were effective and that the savings proposals would not affect the level of service expected from customers.

Discussion then ensued on the proposal to reduce the opening times of Dudley Council Plus. The Head of Customer Services reported on the savings proposed and indicated that Saturday mornings were under consideration as they were quieter periods and by closing on a Saturday, this would be consistent with other Council services delivered from the Dudley Council Plus building.

Concerns were raised in relation to the possibility of closing Dudley Council Plus on Saturdays as it was emphasised that a number of people were unable to access the services during the week due to work or other commitments. Although it was acknowledged that more needed to be done in terms of increasing the use of electronic transactions for making payments, reducing access points was not considered beneficial until this was achieved.

The Strategic Director Resources and Transformation indicated that whilst it was clear that there was a proposal to reduce the opening times for Dudley Council Plus, no fixed decisions had been made and a number of options were being considered.

In responding to a question, the Head of Customer Services outlined the savings expected should Dudley Council Plus stop taking cash payments, however, he stated that customers would use alternative methods of payment, such as using Post Offices and in those cases, the Council would be charged for each transaction made. The Chief Officer Corporate and Customer Services reported that cash payments were expensive, however, ongoing reviews continued to take place to identify alternative methods to deliver savings.

The Chair outlined the percentage of customers that paid their Council Tax by Direct Debit and it was the consensus of the Committee that more needed to be done to encourage people to use Direct Debit for making payments.

- Corporate Landlord – Redefining/reducing property roles. Members requested further detail in relation to how the proposals would deliver savings and the further scope for savings in this area.

In responding, the Strategic Director Resources and Transformation indicated that savings had been made by combining property functions and redefining and reducing roles within the Corporate Landlord Services. It was envisaged that income would be generated from new design work arising from identifying and realising opportunities from the creation of a new estate strategy and increasing traded services to

schools in relation to catering. He stated that a number of projects had been identified, working in partnership with a number of external agencies to deliver budget savings and that the Strategic Director Place was leading on the review.

A detailed discussion then took place on the concerns of Members, assuming that all budget saving proposals outlined in the report submitted were delivered, it would still create a £21.4m deficit. The Chief Officer Finance and Legal Services re-iterated the serious challenges the Council was currently facing and actions being taken to remedy the position. He made particular reference to forecast savings of £19.8m in 2016/17 which would contribute towards the saving for that year, leaving a £1.6m saving to find. He also highlighted that for the period 2017/18, assuming no additional savings had been identified, the Council would have no available reserves.

The Chief Officer Finance and Legal Services indicated that should the Council be unable to set a lawful budget, he would be required to issue a Notice under Section 114 of the Local Government Act 1988 in accordance with his statutory obligations as the Council's Chief Finance Officer. It was hoped that this situation would not arise but might be required as a last resort should budget savings not be identified.

Reference was made to the position other Councils were in, however, no specific details were available at the meeting.

- Communications and Public Affairs restructure of service. Members requested details of how saving would be made.

The Strategic Director Resources and Transformation indicated that Communications and Public Affairs were currently undergoing a restructure to identify the significant savings required. He stated that, although the savings were challenging, they were considered reasonable and achievable. The saving would be delivered through a combination of the reduction of 6 full-time equivalent posts and a review of events and services currently undertaken by the section.

- Members requested information in relation to the number of full-time staff places that would be lost with the proposals put forward within the Resources and Transformation Directorate.

The Strategic Director Resources and Transformation indicated that the options within the Medium Term Financial Strategy required the loss of around 75 full-time equivalent posts by 2018/19 and would be achieved through a combination of Voluntary and Compulsory redundancies, as well as a reduction in vacancies.

## **Resolved**

- (1) That the Committee note the proposals of the Cabinet for the Medium Term Financial Strategy to 2018/19, taking account of the report now submitted and the issues raised at the meeting.

- (2) That written responses to the key questions raised, as indicated above, be provided to all Members of the Scrutiny Committee.

### Local Welfare Assistance Scheme

A report of the Strategic Director Resources and Transformation was submitted following a request from the Scrutiny Committee at its meeting on 18<sup>th</sup> June, 2015 on the criteria, performance and demand for assistance under Dudley's Local Welfare Assistance (LWA) scheme. The report provided the Committee with an opportunity to provide their views, as part of the budget consultation process, on the proposal to review provision of the LWA scheme from 2016/17 onwards.

A copy of the report was circulated to Members with the agenda papers and a copy was available on the Committee Management Information System (CMIS).

The Chief Officer Corporate and Customer Services gave a brief overview of the report highlighting the proposals to review the provision of the LWA scheme operated by Dudley. He indicated that should the proposals be approved, a significant reduction to the LWA scheme budget would be made in 2016/17, with the complete budget being removed in 2017/18. He stated that in the meantime, alternative delivery models would be explored to provide the scheme, including the option to increase the role of the voluntary sector.

Members expressed concern in relation to the impact the proposal would have on the provision of services, given that the LWA scheme provided support for the most vulnerable people in the Borough. The Chief Officer Corporate and Customer Services indicated that a review was being undertaken and this involved identifying models adopted in other local authorities, with particular mention to the model adopted by Wolverhampton City Council.

Following a discussion, Members feared that whatever alternative model was adopted, it would not deliver the level of service that was currently being provided by Dudley Council Plus. In responding, the Strategic Director Resources and Transformation indicated that no decisions would be made unless the budget saving proposal identified in that particular area was approved.

Members were then informed that a further report on alternatives to the current Local Welfare Assistance scheme would be submitted to a future meeting of the Committee.

In responding to questions from Members, the Head of Customer Service confirmed that whilst demand for the service generally was reducing, the highest number of awards made related to food and fuel. Following a breakdown of statistics for each category for the last three years, it had identified that the number of awards granted in relation to food had remained static, however fuel awards had reduced considerably.

### **Resolved**

- (1) That the Committee note the contents of the report submitted and proposal to review provision of the scheme from 2016/17 onwards and the issues raised at the meeting.
- (2) That a further report to update Members on the Local Welfare Assistance scheme be submitted to a future meeting of the Committee.

23

### **Comments by the Chair**

- (1) The Chair welcomed Councillor M Mottram back following his recent ill health.
- (2) The Chair wished everyone a happy Christmas and a peaceful, prosperous new year.

The meeting ended at 7.25 p.m.

CHAIR