

Minutes of the Resources and Transformation Scrutiny Committee

Tuesday 19th January, 2016 at 6.00 p.m.
In Committee Room 2, The Council House, Dudley

Present:

Councillor D Blood (Chair)
Councillor B Cotterill (Vice-Chair)
Councillors S Anderton, C Baugh, P Harley, T Herbert, P Miller, M Rogers,
E Taylor, D Tyler and Q Zada

Officers:

M Bowsher (Chief Officer Adult Social Care) – Lead Officer to the Committee,
M Williams (Chief Officer Corporate and Customer Services), S Beckett
(Head of Customer Services), A McCartney (Transformation Partner) and K
Griffiths (Democratic Services Officer) – Resources and Transformation
Directorate

Also in attendance

I Newman (Chief Officer Finance and Legal Services), R Cooper (Head of
Financial Services) and J Croft (Finance Manager) – Resources and
Transformation Directorate – for Agenda Item No. 6 (Medium Term Financial
Strategy)

24 **Apologies for Absence**

Apologies for absence from the meeting were received on behalf of
Councillors S Clark and M Mottram.

25 **Appointment of Substitute Members**

It was reported that Councillors P Harley and D Tyler had been appointed to
serve in place of Councillors S Clark and M Mottram for this meeting of this
Committee only.

26 **Declarations of Interest**

The Chief Officer Corporate and Customer Services declared a pecuniary
interest in Agenda Item Number 5 (Medium Term Financial Strategy), as he
was directly affected by the proposed Management Restructure within the
Resources and Transformation Directorate and withdrew from the meeting
during consideration of this item.

27 **Minutes**

Resolved

That the minutes of the meeting of the Committee held on 17th November, 2015, be approved as a correct record and signed.

28 **Public Forum**

There were no issues raised under this agenda item.

29 **Medium Term Financial Strategy**

A joint report of the Chief Executive, Chief Officer Finance and Legal Services and the Strategic Director Resources and Transformation was submitted on the updated Medium Term Financial Strategy (MTFS) to 2018/19, approved by Cabinet on 18th January, 2016 as a basis for further consultation, with an 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 paragraphs 32 and 34 of the report submitted.

The Chief Officer Finance and Legal Services gave an overview of the report, highlighting key paragraphs and updated the Committee on the position regarding the Provisional Local Government Finance Settlement 2016/17, received in December, 2015. Reference was made to the additional proposals for action by the Council to work towards addressing the financial challenge. The impact of changes compared with the previous report were analysed in Appendix A.

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.

Following the presentation, Members raised comments on the revised budget proposals. These are summarised below:

- In relation to the proposed savings from Elections, a Member suggested holding "all out" elections on a four yearly cycle. This would create significant savings by not holding elections by thirds. A further suggestion was to reduce the number of Councillors from 72 to 48.

- In relation to the proposed senior management restructure, details were set out in Appendix C to the report. A Member expressed the view that, in order to meet the savings required, the Chief Executive's post be deleted and replaced with a Managing Director with reduced responsibilities and salary. This would be a structure similar to Wolverhampton City Council and if this proposal was pursued, further discussions would need to take place to consider viable options.

Whilst it was acknowledged that the additional savings proposals identified would help considerably towards the financial position of the Local Authority, further budget savings were necessary. The view was expressed that the position was manageable, taking into consideration the additional savings proposals.

Resolved

That the Committee note the proposals of the Cabinet for the Medium Term Financial Strategy to 2018/19, taking into account the considerations set out in paragraph 47 of the report submitted and the issues raised at the meeting.

Service Transformation and the Digital Agenda

A report of the Strategic Director Resources and Transformation was submitted on proposals to transform the Council to meet budgetary requirements, with particular focus upon the digital agenda and channel shift.

The Chief Officer Corporate and Customer Services introduced Andrew McCartney, Transformation Partner to the Committee and gave a brief overview of the report and in doing so highlighted that the move towards digital technology was a fundamental change. It was recognised that not all customers would be enabled to use digital services and emphasised that provision was made so as not to exclude such people.

The Transformation Partner then gave a brief overview of the information contained in Appendix 1 to the report. He indicated that the key issue in terms of delivering digital technology was not only to make the necessary budgetary savings but to consider how the services were delivered to customers and make the experience more attractive and beneficial to ensure that customers' needs were met. He gave further detailed information, including national statistics on the use of services. The Committee noted the information concerning Service Transformation, the Digital Agenda, the implications for the Council and service users and the proposed next steps to take this work forward.

Members were then given the opportunity to provide views at this stage in the transformation process. These are summarised below:-

- Reference was made to the need to ensure the project was undertaken within budget and that the Council's investment in systems achieved the required objectives and ensured customer satisfaction. It was suggested that it would be beneficial for Members to undertake a site visit to another authority where arrangements had been implemented successfully.
- Comments were made in relation to some services within the Council failing to deliver support to their customers and Members. The need for a more customer focused approach to the way in which the Council operated was recognised to ensure that customers and Members received the services expected from the Council.
- Reference was made to the need to ensure customers were treated fairly regardless of what method they used to undertake their business. It was important that customers would not be penalised for using traditional methods. It was recognised that the key principle within the proposal was the creation of models of delivery and technology enablement that ensured maximum suitability for both assisted access, either by face-to-face contact, telephony or on-line support.
- General comments were made in relation to the move to digital services, the impact on customers and what support would be offered to encourage customers to use the facility and its benefits. In response to concerns in relation to the impact on staff, the Chief Officer Corporate and Customer Services indicated that the creation of digitally enabled channels provided opportunities for cheaper and more effective service delivery and the idea was to release valuable resources to allow additional assistance to be provided in areas that need it.

The Transformation Partner referred to a new system (Govtech) which had been introduced to enable a number of council tax transactions to be undertaken online. These online transactions also updated the back office systems without the need for manual intervention.

- In response to a question in relation to projected savings envisaged in five years from now, the Transformation Partner indicated that although specific figures for Dudley could not be given at this time, he stated that in similar sized Authorities, savings identified had been in the region of £10m.
- Mention was made to the need to ensure that digital systems achieved their objectives in the first instance and that such systems were accessible by customers at all times to ensure maximum efficiencies and benefits for all customers.

- In referring to the success of the payment machines located at Dudley Council Plus, it was suggested that similar machines be placed in Community Hubs around the Borough for people in the community to use. In responding, the Chief Officer Corporate and Customer Services acknowledged the idea, however, indicated that no agreement in relation to the requirements of a community hub had yet been made.
- The Head of Customer Services referred to the online facility of completing various benefit forms. He indicated that support would not be eradicated but would provide the opportunity for customers to control how they used the facility and at a time that benefited them. Unlike other online applications, this particular facility had the option to save the form to enable customers to contact the Council should they require any support or advice to enable them to complete the form.

In summary, the Chair expressed the view that the following points should be addressed by Scrutiny moving forward:-

- The impact of transformation/digital on customer charging.
- Support for local people to use new technologies.
- Which areas of Council Services will be impacted?
- The business cases for the investment of the £2m in transformational activity.

Resolved

That the Committee note the contents of the report submitted and the issues raised at the meeting as identified above.

31

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 17th November, 2015 on the options for the future provision of Local Welfare Assistance (LWA) in Dudley. Alternative options were necessary to accommodate proposed changes to funding for 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 then referred to the three options identified within the report, these included:-

- Option 1, as referred to in paragraph 6 of the report submitted – continue as now for 2016/17 only. The LWA scheme could continue in an amended form for 12 months only with a reduced budget of £100,000.
- Option 2, as referred to in paragraph 7 of the report submitted – to close the scheme.
- Option 3 and the preferred option, as referred to in paragraph 8 of the report submitted – provide assistance in a different way via a repayable loan scheme.

The Chief Officer Corporate and Customer Services indicated that discussions had not proceeded as quickly as anticipated with the Credit Union and the local voluntary sector in relation to the loan scheme provision, however, he assured Members he would update the Committee once more details were available.

Members were given the opportunity to provide views as part of the budget consultation process. These are summarised below:-

- In confirming that a proportion of the £200,000 allocated to the LWA was used to fund staff salaries, a suggestion was made to deliver the service elsewhere within the Council without any funding for staff. The Head of Customer Services outlined the figures currently used to fund salaries and questioned whether other services within the Council would be able to provide the LWA service without being issued with appropriate funding to carry out the functions.
- Members expressed concern with the percentage of funding used from the LWA budget to pay staff salaries. Members expected that, should the facility be transferred to third party organisations, the full budget should be used solely on the services offered.

- 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 explained that when the facility was transferred to the Local Authority in 2013, it was accompanied by non-ring-fenced award funding for 2013/14 and 2014/15. In 2015, the Government announced that in 2015/16 and beyond there would be no specific local welfare assistance funding. In early 2015 additional funding was awarded to councils for social care, including LWA and £200,000 of the funding was allocated to Dudley's LWA scheme for 2015/16. He indicated that should the proposals outlined in the Medium Term Financial Strategy be approved, the budget for the LWA would be reduced to £100,000 in 2016/17 and the complete budget would be removed in 2017/18.
- Members welcomed support from third sector organisations, however, in referring to the changes to service in which Dudley Credit Union currently operated, a Member suggested utilising Community Hubs as a designated place to discuss and receive advice in relation to various services offered. It was considered a more cost effective way of delivering services to the community.

In responding, the Head of Customer Services outlined the changes to services currently operated by Castle and Crystal Credit Union and in doing so confirmed that the facility was not closing. He indicated that the organisation would no longer provide over-the-counter cash facility but could provide pre-paid debit cards or transfers to bank accounts, which would allow flexibility to withdraw money from ATMs and make payments online.

- In responding to comments made in relation to the reduced demand for services, the Head of Customer Services provided a breakdown of statistics of telephone calls received and the percentage of calls answered during the past two years. He also outlined current figures and the expected figures by the end of 2015/16. He confirmed that, having contacted neighbouring authorities, all had confirmed that the demand for the service had reduced.
- Members acknowledged that the demand for services had reduced, however, concerns were expressed considering the facility benefited the most vulnerable people in the Borough. It was suggested that further options be considered as a more sophisticated approach was required without the need for overhead costs. This would ensure that the full budget proposed for LWA would focus on the awards offered. In responding, the Chief Officer Corporate and Customer Services indicated that a number of options were currently being looked into and that Members would be updated at a future meeting of the Committee.

- The Head of Customer Services indicated that the funding for staffing provided the cost of employing two staff, to ensure phone lines were answered between 8.30am to 5.00pm Monday to Friday and claims assessed and awards made. He assured the Committee that every effort was made to ensure systems and services were effective.
- In referring to the facility used to provide residents with B & Q vouchers when moving into new properties, a suggestion was made that a similar facility be used whereby a voucher was presented to people who qualified for either a crisis award or a community care award. The Head of Customer Services confirmed that charitable organisations within the Borough were used to provide appropriate items to the people that were eligible for such awards.
- Concerns were expressed at the lack of planning and consideration given in terms of providing a solution to the budget proposals. It was acknowledged that the budget would be reduced to £100,000 in 2016/17, however, it was unclear what would happen to the services from April 2016 and the implications on customers. The Chief Officer Corporate and Customer Services indicated that a report would be considered at the next meeting which would include further information and options.

Resolved

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

The meeting ended at 7.35 p.m.

CHAIR