



Committee and Date

Transformation and
Improvement Overview and
Scrutiny Committee

2 December 2024

TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

Minutes of the meeting held on 9 September 2024

**In the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate, Shrewsbury,
Shropshire, SY2 6ND
10am**

Responsible Officer: Ashley Kendrick Democratic Services Officer
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Present

Councillor Claire Wild

Councillors Roy Aldcroft, Jeff Anderson, Thomas Biggins, Rosemary Dartnall,
Roger Evans, Rob Gittins, Heather Kidd, Tony Parsons, Dan Thomas and David Vasmer.

25 Apologies

Apologies for absence were received from Andy Begley, Chief Executive, and Councillors Joyce Barrow (substituted by Jeff Anderson), Peggy Mullock (substituted by Roy Aldcroft), David Minnery (substituted by Heather Kidd) and Andrew Sherrington (substituted by David Vasmer).

26 Disclosable Interests

No interests were declared.

27 Minutes of Previous Meeting

Members noted that the minutes referred to a future agenda item on communications with officers and automation, however there was no agenda item for discussion at this meeting. The Chair advised that she had spoken with officers and had agreed that a member's briefing would be arranged instead of bringing it to committee, which would enable more members to attend.

A query was raised regarding an update on the costs for voluntary redundancies. The Executive Director for Resources advised that these would be included in the Q2 financial monitoring report at the latest.

Members noted that a follow up of actions raised at the 3 June meeting had been circulated; however a request was received to adjourn the meeting to allow members time to consider the update.

The meeting was adjourned for 5 minutes.

RESOLVED:

To confirm the minutes of the meeting held on 15 July 2024 as an accurate record.

28 Public Question Time

There were no public questions.

29 Member Question Time

There were no members' questions.

30 Financial Monitoring Report Quarter 1 2024/25

The Executive Director for Resources introduced the corrected report which provided a detailed review of the Council's financial position as at the end of June 2024, which showed an anticipated overspend of £38.5million. He drew members' attention to table 4 which provided a breakdown across various service areas and expressed concern that the general fund balance was insufficient to be comfortable with the anticipated level of overspend.

Members noted the three scenarios, (favourable, central, and adverse) for the financial risk, with the favourable scenario projecting an overspend of £25.5 million, central with £38.5million and adverse with £73.75million.

Members were advised that the resizing exercise, estimated to be around £5.5 million, would be allocated to reduce the overspend figures by period 6.

Concern was expressed about the lack of up-to-date information and a query was raised as to why period 4 data was not available for scrutiny. The Executive Director for Resources responded by clarifying that the period 4 report had not been produced and signed off by the Chief Executive Team. He assured that a verbal update based on the latest information would be provided later in the meeting.

A query was received regarding the organisational savings and the initiatives proposed to mitigate the shortfalls. The Assistant Director for Finance and Technology explained that some savings were simple to deliver, while others were more complex and took longer than anticipated. He mentioned that a cross-cutting group of officers was working on savings delivery and thematic leads had been assigned to support service areas. He also highlighted the importance of scrutinising individual transactions to ensure necessary spending only.

Members expressed concern about the slow progress in delivering savings and the large number of yet-to-be-realised notes in the report. Further information on the state of play and specific areas like green waste management and the pyrolysis plant were requested. Members were advised that the green waste charging had just gone live, and they could only account for six months of income in the current financial year. The Assistant Director for Finance and Technology added that the delay in the pyrolysis plant was due to issues with the group structure around delivery.

Members questioned the forecasted adverse position of £73.75 million and what factors could tip the central scenario to the adverse scenario. Members were referred to Table 3, which showed the breakdown of figures for the adverse scenario and noted that the adverse scenario considered unknown risks and potential failures in savings delivery.

A recommendation was received to direct the Chief Executive to attend the first meeting of the Transformation Task and Finish Group with a plan to reduce 3rd party spend by 10% and provide a plan to deliver savings within the Place directorate. An amendment was requested to include members' disappointment at the lack of information concerning risks facing the Council and concern that arrangements were only now being put in place to secure tighter control over all aspects of spending. Upon a vote, the amendment fell and it was:

RECOMMENDED:

That the Chief Executive be directed to attend the first meeting of the Budget Task and Finish Group with a plan to reduce 3rd party spend by 10% and provide a plan to deliver savings within the Place directorate.

31 Performance Monitoring Report Quarter 1 2024/25

The Executive Director for Resources introduced the report which covered performance data up to the end of June. Members noted that significant work had been done over the past 18 months to ensure a comprehensive set of indicators reflecting the Shropshire Plan. Members were advised that it was expected to be more difficult for the organisation to provide sustained improvement in a number of the indicators due to the financial priority for the Council.

A request was received to inform the Planning Stakeholder Group as to whether the targets relating to decarbonisation and climate action strategy had been established.

Members queried the excess mortality rates, particularly concerning mental illness, and whether the increase was related to suicides. The Performance and Research Analyst advised that the targets were newly reported as part of the Public Health framework and that further information would be circulated to members after the meeting.

Members congratulated the Council on improvements in children's care, particularly in issuing educational healthcare plans and assessing children's needs. However, disappointment was expressed regarding changes in the method of tracking certain indicators and Members inquired about the timeline for seeing consistent information. The Portfolio Holder for Culture and Digital acknowledged the difficulty in tracking changes due to shifting measures and emphasized the importance of improving the accuracy of figures. Members were invited to specify any indicators for which they wanted to know timelines.

Further information was requested on adult services demand management and the progress of related workstreams. It was noted that the demand management work was ongoing and would be key to informing future demand management. The response to the June scrutiny meeting questions was circulated earlier in the meeting, addressing most of the raised issues.

Concern was raised regarding the compliance rate for FOI requests and the Council's position among the top 20 councils for FOI-related complaints. It was clarified that the Council was identified among the top 20 councils for FOI-related complaints, not for response rates. The organisation was focusing on financial priorities, and while the compliance rate might not reach 100%, efforts were being made to ensure no FOI requests extended beyond an unreasonable time.

RECOMMENDED:

That the Committee congratulate the team on the development of performance indicators and that the Chair meets with officers and the Portfolio Holder in November, with an update being brought to the next meeting.

32 Financial Monitoring Period 4

The Executive Director for Resources provided a brief update on the financial position as of the end of July which would be available in the first week of September and presented to Cabinet in October.

Members were advised that due to significant leave across the organisation in July and August, there were impacts on expenditure levels and projections. He highlighted the need to address certain areas where savings were not being delivered and the pressure within demand for adults and children's services. Members noted that without interventions, the financial position looked less favourable, but with spending controls, resizing work, and third-party spend, the position was slightly better than period 3.

Members noted that period 5 and 6 will provide a better indication of the financial position for the remainder of the year.

33 Capital Receipts and Income Strip

The Estates Manager for Acquisitions and Disposals introduced the report which provided an update on the planned pipeline of capital receipts through the year. It included several individual planned asset sales which are recommended for collective approval, and a proposed 'income strip' arrangement to secure additional in-year resources at limited cost to the Council.

He highlighted the need for capital receipts to meet financial requirements, including costs associated with transformation, redundancy, and third-party support. Members were advised that the income strip model allows the Council to deliver more receipts for transformation purposes, which borrowing would not permit.

Members discussed the development of an 'income strip' option which could yield a substantial receipt through an alternative approach to the treatment of car parks as an asset and surplus income relating to controlled parking. The proposal would continue to ensure that the ringfenced Controlled Parking Account continues to be used to support highways management activity.

Members were advised that a key difference between a capital receipt and the income strip was that the Council would retain operational control and influence over the car parks included in the transaction, whereas a capital receipt would lead to the full transfer of the asset to a third party.

Members expressed concerns about the lack of progress towards the required capital receipts and the contradiction between the quarter one finance report discussed earlier in the meeting and the current report. The feasibility of achieving the target was also questioned.

Members felt that there may be a negative impact on the Big Town Plan and the movement strategy by using car parks in the transaction.

The Executive Director for Resources assured members that legal and financial advice would be sought to ensure the proposal's validity and effectiveness.

RECOMMENDED:

That the committee accepted the report and thanked Richard Macdonald for the work being carried out.

34 Annual Customer Feedback (complaints) Report

The Head of Communications and Engagement introduced the annual customer feedback report, highlighting the importance of customer feedback in driving improvements and learning within the council. The report covered complaints, compliments, and insights from the previous financial year.

The report detailed the number of complaints and compliments received, noting a slight increase in the proportion of complaints. It also highlighted a reduction in complaints for specific services like highways, indicating an improvement in those areas.

Members noted that a new LGSCO Complaint Handling Code, which comes into effect from April 2026, seeks to reduce Stage 1 complaint response times to 10 days, although this can be extended by a further 10 days if there is good reason and these reasons are explained to the customer. To achieve this will require considerable planning and it is envisaged that a further report will be presented to Cabinet in due course outlining what the implications of complying with the new Code may be.

Members queried whether officers were confident that the council can capture communications from residents of all abilities and ages through various channels. Members were advised that there were multiple ways for residents to log their comments or complaints, including web forms, phone, and letters.

Members noted the report.

35 Alternative Budget 2025 - 26

The Chair introduced the item and noted that the alternative budget process had not worked well for any of the groups over the past two years and proposed setting up a

financial task and finish group to address this issue. The proposed group would include the leader and deputy leaders of the Labour group, Liberal Democrats, Green group and the Independents, together with the Chair of the Transformation and Improvement Overview and Scrutiny Committee, and the leader and deputy leader of the Council.

The Portfolio Holder for Finance, Corporate Resources and Communities emphasised the importance of transparency and efficiency. He mentioned that the officers had been accused of a lack of transparency, and this new process would ensure that everyone had access to the same information. He also highlighted that this approach would save officers a significant amount of time.

The leader of the Council acknowledged the difficult financial situation and stressed the importance of being open and transparent. The leader expressed hope that the new approach would help retain control of finances over the next 12 months.

A question was raised about the stage of development of the budget for 2025-2026. It was clarified that there had been no material discussions with the administration about the 2025-2026 budget.

The Portfolio Holder for Finance, Corporate Resources and Communities explained that the task and finish group would not only focus on the budget for the next year but also consider the mid-term financial strategy up to 2030. The group would bring back their findings to scrutiny and then to the cabinet.

It was noted that the constitution might be changed to prevent alternative budgets, but this would not stop the production of alternative budgets.

It was proposed that the first meeting of the task and finish group be held in a fortnight. A request was received that a hybrid option should be available to allow members of the group some flexibility to attend.

It was agreed that attendees would take the proposal back to their respective groups and come back with their decision.

36 Work Programme

Members noted the work programme.

37 Date of Next Meeting

Members noted that the next meeting was scheduled to take place on Monday 18 November 2024.

Signed (Chairman)

Date: