

**MINUTES OF A MEETING OF THE
COMMUNITY AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE
HELD ON 24 SEPTEMBER 2019 FROM 7.00 PM TO 8.35 PM**

Committee Members Present

Councillors: Guy Grandison (Chairman), Shirley Boyt, Paul Fishwick, Graham Howe, Clive Jones and Abdul Loyes

Presenting Executive Members

Councillors: John Kaiser

Officers Present

Graham Ebers (Deputy Chief Executive - Director of Corporate Services) and Callum Wernham (Democratic and Electoral Services Specialist)

Others Present

Lindsay Ferris, Michael Firmager, John Halsall, Adrian Mather and Rachelle Shepherd-DuBey

19. APOLOGIES

Apologies for absence were submitted from Councillors Ken Miall and Barrie Patman.

20. DECLARATION OF INTEREST

There were no declarations of interest.

21. PUBLIC QUESTION TIME

There were no public questions.

22. MEMBER QUESTION TIME

There were no Member questions.

23. MTFP 2020-23

The Committee received and reviewed a report, set out in agenda pages 5 to 14, which set out aspects of the draft 2020-23 Medium Term Financial Plan (MTFP) with a focus on the General Fund Revenue Account.

The Committee were advised that this meeting was the first in a series of budget scrutiny focussed sessions, with further detail including specific bids and associated business cases to be provided at future meetings.

John Kaiser, Executive Member for Finance and Housing, stated that involving scrutiny within the budget setting process was something that he had wanted to happen for some time. John added that should this process work well, it would aid in presenting a well-rounded budget with input from Members across the Council. John stated that much of the budget was necessary to provide statutory services, including Adult Social Care and children services. John commented that budgets of previous years did not necessarily reflect future budgets, as pressures in areas such as Adult Social Care were growing and were expected to continue growing. John stated that the budget was designed to deliver the Executive programme in addition to statutory services. John concluded by stating that this process was important as it allowed all Members and the public to see and understand both the budget setting process and budget proposals.

There was some discussion between John Kaiser and Clive Jones regarding the relationship between Scrutiny and the Executive in relation to budget scrutiny. John Kaiser commented that in his view this process would allow for Members from three of the four political groups within the Council an opportunity to review budget proposals and ask questions of Executive Members and Directors about their service areas including growth bids and savings proposals. John added that all Members and the public would have access to this information, and he hoped that scrutiny would be able to sign off a budget that had support from across the Council following detailed scrutiny. Clive Jones commented that in his view it was scrutiny's role to challenge assumptions and current and proposed spending levels to ensure that statutory services were maintained. Clive added that in his opinion this process did not constitute any form of approval of the ruling group's budget. Clive stated that he welcomed the introduction of this budget scrutiny process, and hoped that it would continue in future years.

Graham Ebers, Deputy Chief Executive – Director of Corporate Services, stated that this would be the first budget setting cycle that would include overview and scrutiny in his 20 years of being Wokingham Borough Council's (WBC's) Chief Finance Officer. Graham stated that this process would create an excellent opportunity for collaborative working, and he hoped that this process would allow the creation of the best budget possible within the context of reduced funding. Graham added that this meeting was designed to be a higher level discussion to identify how the Committee would work in future meetings, with future meetings including specific bids and detailed business cases to allow for detailed analysis.

Graham Ebers stated that WBC was the lowest funded Unitary Authority, and explained that a Unitary Authority had the responsibility to provide all services that a two tier authority would provide including Adult Social Care and Children's Services. Graham outlined that the headlines for the future Local Government Finance Settlement appeared positive, and Officers remained cautiously optimistic about these proposals. Graham stated that it was likely that there would be an overspend in this year's budget, which would be funded through reserves. Graham stated that this process was not unsafe as reserves were at a suitable level, although it would need to be addressed in future, and ongoing costs savings such as the £3m year on year savings from the 21st century project had taken away some pressures from WBC's finances and would continue to do so.

Graham Ebers stated that the growth proposal for Children's Services was in order to bring the service up to a 'Good' rating, which had not been achieved previously. Graham commented that around £500k of bids were proposed to provide substantial investments into roads and highways infrastructure. Graham stated that the budget was in a constant state of work in progress as it would be for all other Local Authorities and this was the beginning of the budget setting process.

During the ensuing discussions Members raised the following points and queries:

- How many growth bids over £50k would the Committee receive? Officer response – Approximately 30 growth bids of £50k or above would be presented, with values varying from £50k to much more significant sums of £1m and above.
- How were the proposed savings within Corporate Services going to be achieved? Officer response – Increasingly, Local Authorities were required to become more commercial and self-sufficient, with less reliance on Government funding. WBC would

explore a range of opportunities to generate income without penalising residents, in order to continue to fund other service areas without the need of cuts within their budgets.

- What challenges were facing Children's Services, and how did this compare to other local authorities, and what were the key strategic risks within this service area? Officer response – The pressures facing Children's Services were almost entirely a result of the massive spike in children going into the care of WBC within the past few years. WBC had seen a 243% increase in children within our care in a single year. This had subsequently increased costs due to the cost of child placements and the increased need to hire additional social care workers, in addition to an increased pressure on the Home to School Transport budget occurring across the Borough. Wokingham had seen a 'lag', when compared to many other Local Authorities whom saw an increase in children in their care prior to WBC, however the percentage increase for Wokingham was stark as the baseline of existing children in care was comparatively low. The key risks came from having appropriate funding levels to manage the increased caseload.
- Considering the figure was cumulative, why was the year 2 Council Tax base estimated to be £2.28m rather than the expected £3.6m? Officer response – The assumption took into account an expected slowdown in property building within the borough in year 2, and this was an area that required close monitoring.
- How would the large predicted savings in year two within Children's Services be achieved? Officer response – More detail would be provided for this in future meetings when specific bids and business cases were available. However, on a high level by heavily investing in year 1 costs could be brought down in the future. This would be achieved by investing in smarter and more efficient methods of working, and by hiring the right staff with the correct skillsets.
- What challenges were facing Adult Social Care, on a high level? Officer response – The demand facing the service was constantly increasing, and certain families with a high level of need were moving in to the Borough. There was a fragile provider market currently, and uncertainty on a national level had led to increased costs for suppliers. The Executive Member for Finance and Housing added that there was also uncertainty as to how Central Government would decide which parts of Adult Social Care sat amongst the trusts, this was a big macro issue which was difficult to predict.
- Would the new homes bonus be expected to continue going forward? Officer response – There would be a fundamental spending review of Local Government Finances organised by Central Government, and it was likely that the new homes bonus would be unrecognisable after this review.
- What were the key challenges as a result of the 19/20 funding gap? Officer response – The main issue was that this overspend would roll over into the next budget as it was funded through reserves.
- How had preparations to address the recently declared climate emergency been reflected within the budget proposals? Officer response – This would be addressed within the detail provided at future meetings.
- How low would the general reserves need to go to become a real concern for Officers? Officer response – Historically, below a level of £6m would start to become

uncomfortable for Officers. The general reserves were always the focus of budget risk analysis exercises to monitor spending.

- How would the percentage of business rates kept by WBC be changing in the future? Officer response – This was almost impossible to predict, and much of the potential for change would be driven by how Central Government assessed needs, for example deprivation and socio-economic factors with a local authority. WBC currently kept 21% of business rates, which could be reduced to 10% with negative RSG, and a worst case scenario could see WBC receive 0% business rates. The only way WBC could mitigate any reductions was to become more commercial and self-sufficient.

RESOLVED That:

- 1) Graham Ebers and John Kaiser be thanked for attending the meeting;
- 2) Business cases, front sheets and bids for each service area be provided to the Committee along with their upcoming agenda papers;
- 3) Executive Members be invited to future budget scrutiny Committee meetings;
- 4) Service Directors be invited to future budget scrutiny Committee meetings;
- 5) The Committee be kept updated regarding any substantial changes to the draft MTFP.