



Committee and Date

Transformation and
Improvement Overview and
Scrutiny Committee

4 September 2023

TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

Minutes of the meeting held on 12 July 2023

In the Wilfred Owen Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire, SY2 6ND

Times Not Specified

Responsible Officer: Amanda Holyoak Committee Services Supervisor
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Present

Councillor Claire Wild

Councillors Roger Evans (Vice-Chair), Joyce Barrow, Thomas Biggins, Julia Buckley, Peggy Mullock and Chris Schofield

4 Apologies

Apologies were received from Councillors Alan Mosley, Dan Thomas, Kevin Turley, and David Vasmer. Councillor Rosemary Dartnall substituted for Alan Mosley, Councillor Roy Aldcroft for Dan Thomas and Councillor Heather Kidd for David Vasmer.

5 Disclosable Pecuniary Interests

None were declared

6 Minutes of previous meetings

The minutes of the Performance Management Scrutiny Committee held on 1 March 2023 and minutes of the Transformation and Improvement Overview and Scrutiny Committee held on 11 May 2023 were both approved as a correct record of those meetings.

7 Public Question Time

There were no public questions.

8 Member Question Time

There were no member questions.

9 Medium Term Financial Strategy - Escalation

Ben Jay, Assistant Director Finance and Technology, gave a presentation on proposals for the management and control of the Council's finances through the

course of the year, asking the committee to comment whether it was satisfied with the proposed arrangements or if it wished to suggest other measures that might be helpful.

The presentation covered details of the particular challenges of this year; the control environment; current reserves position, risks and in year balance; monitoring timetable; current headlines; timing of in year updates; intervention timing; and timings and triggers.

A number of members were unhappy that the presentation made at the meeting contained detail and included figures which had not been circulated with the agenda. The Assistant Director explained that detail added in was not new, and not presented for scrutinising. Rather, it had been included to pull together a summary of the most important figures related to financial position, help set the larger strategic context and demonstrate how different items of information came together throughout the course of the year to create an overview of the financial position as a whole.

During discussion, members observed that they felt they understood the control environment but asked a number of questions including:

- How would the committee gain an insight into proposals for changes to services and related changes to the risk environment?
- Why did audit and scrutiny committees see financial and performance reports after cabinet?
- What were the risks around rising interest rates and why was this not recognised in the budget?
- What was the impact of level of demand for social care and availability of the work force?
- Why the in-year callable reserves were shown as at £37m when the outturn report contained a figure of just £7.1m to be taken forward into the general fund balance?
- Why had feedback from period 1 not been made available to members, and when would feedback from periods 2 and 3 be made available. Committee members required evidence to provide reassurance that risks were being mitigated as early as possible.
- Were officers satisfied with the way the new monitoring system was bedding in.
- Could future presentations referring to previous financial reports made please include links to the relevant parts of these reports.

A member also questioned the timing of the LGA Peer Challenge progress review report and publication of it as it made reference to the required efficiencies of £51m as extremely challenging with very little remaining in general reserves to cushion the impact of under delivery. He asked why it did not refer to the £19.9m identified for general fund balance within the MTFs approved by Council on 2 March 2023 and it was observed that savings were costed on the basis of delivery from the start of the financial year.

In answering these questions and addressing questions about transparency and availability of information, officers explained that the proposals under consideration

related only to the control environment around finances – which set the environment for individual spending reductions for services which would flow through this process.

Scrutiny Committees would in future be receiving financial and performance reports ahead of Cabinet. The Audit Committee would continue to receive them afterwards, audit being by definition a review after the event with a focus on the control environment. It was also confirmed that risks related to inflation and rising interest rates had been identified in the MTFs as well as the Capital Strategy and Treasury Management Strategy.

The Executive Director and Assistant Director also gave a detailed explanation of how the general fund balance as at 1 April 2023 was £27m, with potentially another £10m callable other earmarked reserves. At 2 March 2023, it had not been known what the outturn was going to be and the total of £27m had been established by adding the figure of £7.1m from the report and the £19.9m from the MTFs report.

Officers understood the desire of members to see information at the earliest opportunity but it needed to progress through a quality assurance system first. This would happen significantly faster than it had last year and level of detail available and timeliness would be much improved. The reasons that period one information had not been circulated included that it was the first test of the new reporting process and had helped to eliminate teething problems and establish whether budget holders and business partners understood their roles. It was also too early to make any forecasts with just one month of data. Period 2 data was currently being worked through and would be signed off shortly. The intention was for information to be made available to members and officers 5 – 6 weeks from the end of the reporting period. The timings and triggers for making interventions when needed in future were set out in the presentation.

Officer confirmed that the LGA Peer Reviewers had been satisfied with the level of and quality of information and data provided to them and the £19m could not be added to the general fund balance until 1 April 2023. In terms of deliver of savings, the reality was that some would be made from 1 April, others scheduled for later would be delivered in advance and some would come later than planned.

In reflecting on the comments and discussion, the Portfolio Holder for Finance and Corporate Support observed that the Assistant Director had now been in post for a year, that this was the first full year of the MTFs, and feedback he had received from officers was that they had never before had as much information about budgets. He felt that going forward the position would be more transparent than ever before. As figures emerged he would be happy to engage with any members of the council to listen to any ideas.

The Chair felt that officers had worked hard to enable monthly reporting instead of quarterly.

It was agreed that the Assistant Director would circulate to the committee the presentation he had provided, including links to the sections of the various documents referred to within it. It was also agreed that going forward that any presentations should be circulated in good time before the meeting with links and references included as appropriate.

The Committee also agreed that a Task and Finish Group on Finance be established with a remit covering the particular challenges around social care and partnership working.

10 Capital Strategy

Members considered the Green Paper setting out the reasons for and suggested process for a mid-year review of the Capital Strategy previously approved by Council in March 2023. The Committee was asked to comment on the proposed scope of the review and the timeline for it and the relationship with alternative budget proposals.

During the discussion, officers answered questions around the need to borrow money; whether preferential rates were available; minimum revenue provision (MRP);

Members emphasised the importance of early scrutiny involvement with the review and it was agreed that once an initial briefing had been provided to all members on the capital strategy that a Task and Finish Group on the Capital Strategy be set up for this purpose.

The Chair thanked the Executive Director and Assistant Director for the report.

11 Work Programme

Members were reminded that the work programme was a live document, discussed where performance reports would be scrutinised and where outturn reports might be presented. It was confirmed that formal quarterly reports would be made to the Transformation and Improvement Scrutiny Committee but information would be available in real time and issues could be suggested for the work programme at any time there was no need to wait to receive a quarterly exception report at a formal meeting.

It was noted that an additional meeting had been added for Monday 4 September at 2.00 pm in order to receive the Q1 financial monitor and performance reports ahead of Cabinet.

Signed (Chairman)

Date: