



Committee and Date

Transformation and
Improvement Overview and
Scrutiny Committee

19 February 2024

TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

Minutes of the meeting held on 10 January 2024

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

10.00 am - 12.00 pm

Responsible Officer: Ashley Kendrick Democratic Services Officer
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Present

Councillor Claire Wild

Councillors Roger Evans (Vice-Chair), Joyce Barrow, Thomas Biggins, Rob Gittins,
Alan Mosley, Peggy Mullock and Dan Thomas

41 Apologies

Apologies had been received from Councillor David Vasmer. Apologies were also received from Councillor Julia Buckley who joined the meeting remotely.

42 Disclosable Interests

No declarations of interest were received.

43 Minutes of Previous Meeting

RESOLVED:

That the minutes of the meeting held on 4 December 2023 be confirmed as an accurate record.

44 Public Question Time

There were no public questions.

45 Member Question Time

There were no members' questions.

46 Alternative Budget Proposals 2024/25

The Executive Director of Resources introduced the report which provided three alternative budget proposals from the Labour group, Liberal Democrat group and the Green group. The Independent group declined to submit a proposal. Members were reminded of the national issues surrounding the increase in costs for adults and children's

social care, inflation and the cost of living which had played a large role in the budget funding gap. It was stated that at the beginning of the alternative budget process, the gap was £23.6m which did not include the pressures within adults and children's social care.

Members were advised that in relation to Appendix 1b from the Labour group, it had not been possible for this to be reviewed and assurances could not be given regarding figures; therefore this had been included for transparency purposes only.

Members considered the budget proposals from each group line by line.

With regards to the proposal from the Labour group to insource the Kier contract, the Executive Director of Place advised that a mixed economy system had been introduced in which minor repairs were now done in house with major works being carried out by Kier. This had resulted in a reduction in the backlog of repairing potholes by 75% and saved £1.4m per annum since its introduction in 2020. It was felt that this system allowed the council to benefit from Kier's buying power and procurement rate whilst maximising outputs and dealing with localised issues. It was noted that there was a shortfall in specialist staff and therefore it would be difficult to recruit a full inhouse team. This would also be the case for insourcing the WSP and traffic management contracts.

It was stated that there were opportunities to review the contract and renegotiations had taken place over its duration; an example of which was litter collection which had changed the value of the contract and was commercially beneficial for both organisations. The re-procurement process would commence in the Spring.

A query was raised regarding the number of staff involved in the Kier contract. Members were advised that there were five members of staff responsible for the management of the contract but that this information would be unknown as it would be within Kier's jurisdiction to decide on the amount of staff required to deliver its outcomes. It was stated that in general terms, contractors would receive between 2-4% profit, however they had much greater purchasing power than if services were provided in house. The leader of the Labour group felt that the council would have more control over costs and a greater oversight on what is being delivered if services were insourced.

It was noted that there would be on costs if insourcing took place and that these costs would be passed to the residents. Third party expenditure was being investigated as part of the budget discussions and the transformation scheme.

Concern was raised regarding the timescale in which opposition groups had to seek data due to the Christmas break. Certain members felt that information could have been requested at the start of the financial year to give them more time to consider alternative proposals.

In relation to the creation of adults and children's care homes, it was stated that these were capital projects and therefore were not part of this process.

In relation to the creation of insulation retrofitting capacity, it was noted that no costs had been attached. The Portfolio Holder for Housing and Assets advised that the council had taken every opportunity through different funding streams to retrofit corporate buildings over the last six years. This included commercial funding streams. It was felt that this

could be a tradeable service to partners if this was delivered in house; however it was acknowledged that there was a global shortage of specialists and local colleges had struggled to attract enough students for courses to be viable. It was noted that discussions were already taking place with the Marches Forward Partnership to invest in local service provision. The Executive Director of Place reassured members that this matter was being looked at as part of the Shropshire Local Skills Improvement Plan.

In relation to the cancellation of the North West Relief Road, it was stated that this would result in an estimated £20m write off cost. As the government funding (both current assumed and future indicative) is tied to the specific project, to cancel the project would lose the value of the grant, so it could not be redirected.

Concern was raised that much of the alternative budgets proposals received by opposition groups relied upon the use of reserves. The Executive Director of Resources confirmed that as a minimum, the Council should hold between £20m - £30m in reserves. It was felt that reserves should only be used in emergencies to support the delivery of statutory functions and not aspirational projects.

In relation to the discontinuation of the proposed Civic Hub development, and to re-provide office accommodation within a reduced and refurbished Shirehall, members were reminded that the estimated costs in 2018-2019 had been approximately £40m. Technical parts of the building were now failing and it was considered to be more cost effective to build a new facility to hold 250 people instead of 1300. This would allow for co-location with other agencies including commercial space on the ground floor. Members expressed concern that the sale of the riverside site would not result in the necessary funds to refurbish Shirehall without significant borrowing. Officers were constantly searching for funding in addition to that already in place for the Civic Hub.

In relation to securing a carbon neutral supply chain, members were in agreement that carbon emissions should be considered as part of any contract renewal and it was therefore

RECOMMENDED:

That the committee recommends to Cabinet that carbon emissions should be considered as part of any contract renewal or review to capture carbon-neutral alternatives.

An amendment was proposed and it was

RECOMMENDED:

That in addition to the above, the budget proposals relating to insourcing should also be recommended to Cabinet.

On being put to the vote, the amendment failed. The committee then voted on the original motion which was agreed.

It was confirmed that the report to Cabinet would be an officer report and would contain the above recommendation together with a reflection of the committee's discussions.

47 Work Programme

Members noted the committee’s work programme for 2023 – 2024.

48 Date of Next Meeting

Members noted that the next meeting is scheduled to take place on Monday 19 February 2024.

Signed (Chairman)

Date: