



Committee and Date

Transformation and
Improvement Overview and
Scrutiny Committee

9 September 2024

TRANSFORMATION AND IMPROVEMENT OVERVIEW AND SCRUTINY COMMITTEE

Minutes of the meeting held on 15 July 2024

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

2.00 pm

Responsible Officer: Ashley Kendrick Democratic Services Officer

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Present

Councillor Claire Wild

Councillors Joyce Barrow (Vice-Chair), Thomas Biggins, Rosemary Dartnall, Roger Evans,
Rob Gittins, Peggy Mullock, Tony Parsons and Dan Thomas

14 Apologies

There were no apologies for absence.

15 Disclosable Interests

There were no disclosable interests.

16 Minutes of Previous Meeting

RESOLVED:

To confirm the minutes of the meeting held on 3 June 2024 as an accurate record.

17 Public Question Time

There were no public questions.

18 Member Question Time

There were no members' questions.

19 Financial Strategy 2025/26 - 2029/30

The Portfolio Holder for Finance, Corporate Resources and Communities introduced the report which was the first update for the current financial year, 2024/25, and set out the known changes to position approved by Council in February 2024/25, included in the budget papers.

The Executive Director for Resources provided an overview of the financial strategy, emphasizing the importance of medium to long-term planning and the potential for adjustments in response to governmental changes. He advised members that there were a few areas that had been identified around the potential assumptions around Council tax and around social care grant allocations.

Queries were received on the following:

- The position of savings that the Council will have to make over the medium term. Members were advised that the funding gap over the MTFS period was £48 million.
- The growth of business rates and how it is based. The Executive Director of Resources explained that they make an assumption every year in terms of where they think the changes will be around the growth rate.
- The amount of assets being considered for disposal. The Assistant Director for Finance and Technology responded that there were two main groups of assets that the Council has, one is the group of assets which are in ongoing operation and the other is a separate group of surplus assets which are now regarded as being surplus to operational requirements. It was not possible to identify which assets could be disposed of due to commercial sensitivity.
- The potential borrowing required and whether the repayment of that has been factored into next year's financial estimates. The Executive Director of Resources explained that it would depend on how the funding falls and that some elements cannot be funded from borrowing, such as redundancy costs.
- The availability of period 3 monitoring. Members were advised that quarter one would be going to Cabinet in September and brought before the committee at the next meeting.
- The capital projects which could be "a risk". Members were advised that as can happen with large scale projects, there are several risks relating to delivery within budget and timescale, including external factors that may impact on this. Should the Council be unable to progress existing major projects, and should an asset no longer be developed, any capital expenditure incurred on the project to date would need to fall back on the revenue budget. In this scenario, this could cause a significant budgetary pressure the Council would be unable to mitigate without external support.
- The reduction in pay inflation from 3% to 2.5%. Members were advised that given the 2024/25 pay offer being lower than had been originally anticipated, and inflation reducing in the economy, pay inflation had been revised down to 2.5%. Discussions had taken place with other authorities and an assumption had been made that 3% would not be necessary based on the information available.

Members noted the report and thanked the Portfolio Holder and Executive Director.

20 Financial Monitoring Period 2

Members were provided with an overview of the current forecast as at period 2. The Assistant Director for Finance and Technology highlighted the key actions that had been taken since period 1 and the planned actions set out in the report. He also mentioned the risks that are being closely monitored, as set out in points A to G at 2.2 of the report.

Members noted that the budgeted £62.5m spending reductions targeted for 2024/25 and set out in the budget papers are currently forecast to deliver £38.4m by 31 March 2025. This indicated a potential under-delivery of £24.1m. The Executive Director of Resources clarified that the £24.1m related to in-year savings that had not been delivered out of the £62.5m, and £3m is the net directorate variance around demand in adults and children's services. £11.4m is for other budget pressures, including savings that were undelivered and brought forward into the current financial year.

A query was received regarding £8.5m listed in RCO80 for review and resize of overall council staffing. The Executive Director of Resources confirmed that this figure was included in the total £28 million, which identified all the savings targets relating to staffing.

It was felt that further information was required to understand what was driving the increases in demand for social care and what actions will be taken to bring the demand down. Members were advised that the forecast for social care demand was reviewed regularly and rigorously and that the Assistant Director for Finance and Technology was working with the service to update the position in the most accurate way.

Members noted the report.

21 Council's New Target Operating Model (TOM)

The Chief Executive introduced the report and provided an explanation of the new Target Operating Model diagram which was presented on screen and described the principles on which the Council of the future will be built. Members were encouraged to view the animation on the intranet alongside the diagram.

Members noted that the model is based on the Shropshire Plan and is designed to create a healthy organization. It includes pre-front door community hubs, digital self-service, general inquiries, and expert support and is based on digitisation and automation. The primary objective was to become financially survivable.

Officers acknowledged concerns that not all residents have the internet and advised members that there would still be a way to speak with staff. Automation and digitisation did not mean that all communication would be done online, as systems would include chat bots, artificial intelligence and voice recognition.

Members queried whether the Council would still be selling services such as HR. Members were advised that if the services were profitable and commercially tradable, they will continue to be sold; however all services would be subject to review.

A suggestion to amend the wording "customer management" to "customer service" was welcomed.

Concern was raised regarding communication with officers which was preventing members from carrying out their casework and it was felt that it would be helpful to experience the levels of automation to gain confidence in the model. It was felt that there should be an agenda item for automation at the next meeting to which the Head of Service for Automation and Technology would be invited.

In response to a query regarding costs and the voluntary redundancy scheme, the Executive Director for Resources advised that costs were being finalised and would be reported as soon as possible. Members were also advised that there would be another voluntary redundancy scheme and that the organisation was working to minimize the impact of redundancies.

With regard to third party spend, there was lots of work ongoing with PWC to look and outcomes and ways in which services can be delivered.

Members noted the report.

22 Local Government Productivity Plan

The Leader introduced the report which outlined a proposed response to the Minister for Local Government’s request for all local councils to produce productivity plans.

Members noted the proposed response as detailed in Appendix 2.

23 Work Programme

Members noted the work programme and emphasised the importance of flexibility to add items when required.

24 Date of Next Meeting

Members noted that the next meeting is scheduled to take place on 9 September 2024.

Signed (Chairman)

Date: