

SHOPSHIRE COUNCIL

PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

Minutes of the meeting held on 26 November 2014
10.00 - 11.45 am in the Shrewsbury Room, Shirehall, Abbey Foregate,
Shrewsbury, Shropshire, SY2 6ND

Responsible Officer: Jane Palmer
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Present

Councillor Martin Bennett (Chairman)
Councillors Gerald Dakin, Steve Davenport, Roger Evans, Vince Hunt, Miles Kenny,
Alan Mosley and Dave Tremellen

21 Apologies for Absence and Substitutions

Apologies for absence were received from Councillor J Barrow [Councillor P Mullock attended as substitute] and Councillor D Lloyd [Councillor B Williams attended as substitute].

22 Disclosable Pecuniary Interests

No disclosable pecuniary interests were declared.

23 Minutes of the meeting held on 5 November 2014

RESOLVED:

That the Minutes of the Performance Management Scrutiny Committee meeting held on 5 November 2014 be approved as a correct record and signed by the Chairman.

24 Public Question Time

No questions were received from members of the public.

25 Member Question Time

The following question submitted Councillor R Evans was circulated at the meeting:

'This meeting of the Scrutiny Committee is due to look at the Financial Strategy and Budget covering all aspects of the Council both for this year and the following three years. I note the article in the Shrewsbury Chronicle, published on 20 November concerning Shropshire Council and Serco.

Given that Serco, as stated in the article, have a contract to manage five of the Council's major leisure facilities until 2022, can the Performance Management

Scrutiny be given some details of what is planned and also if there is any break clause in the original contract. Any financial repercussions, extra costs or income could well affect an already very tight budget. It is also noted that at the Cabinet meeting to be held on 10th December fees and charges are to be discussed. Given the contract that was signed with Serco are the discussions with them likely to affect the recommendations to be made'?

The following answer was provided:

'Shropshire Council has a 10 year contract with Shropshire Community Leisure Trust who operate the 5 facilities on behalf of Shropshire Council. Serco Leisure are the managing agent and in effect provide 'back office support' to the Trust. Following the recent announcement from Serco that they intend to sell their leisure section of the business, officers have met to explore what this could mean. At this stage, it means very little - within the terms of the contract the Trust need to seek our consent to appoint an alternative agent, and to date we have not been notified of any potential alternative managing agent. Officers will be meeting with representatives from Serco in the coming week to receive more up to date information.

Until any sale is progressed, Serco Leisure will continue to undertake their duties supporting Shropshire Community Leisure Trust, which will have no bearing on day to day operations, finances to the council or affect the fees and charges and any recommendations made'.

Councillor Evans then requested supplementary information regarding the role of the Shropshire Community Leisure Trust, who employed Serco and queried the relationship between Serco/Shropshire Community Leisure Trust and Shropshire Council. The Chairman advised that answers could not be provided at the meeting given that the appropriate Cabinet member or the appropriate Officer/s were present. Councillor Evans expressed his disappointment that the appropriate Cabinet member and Officer were not present to address his additional points. The Portfolio Holder for Performance assured the Committee that answers would be provided.

26 Scrutiny of the progress in delivering the Council's Business Plan and Financial Strategy 2014/15

The Performance Manager provided an overview of the feedback received from the Scrutiny Committees' consideration of the progress made in delivering the Council's Financial Strategy at the following meetings:

- Performance Management Scrutiny Committee 5 November 2014
- Enterprise and Growth Scrutiny Committee 6 November 2014
- Environment and Services Scrutiny Committee 10 November 2014
- Young People's Scrutiny Committee 20 November 2014
- Health and Adult Social Care Scrutiny Committee 24 November 2014

He explained that the Scrutiny Committee work programmes were directly linked to the Council's Business Plan. He added that the Scrutiny Committees worked both proactively to support and inform change, and to also understand the impact of change on communities and people who use the services.

The Committee considered the summary of feedback received from each of the Scrutiny Committees in turn.

Referring to the Enterprise and Growth Scrutiny Committee, the Chairman of that Committee stressed the Committee's high passion for developing economic growth in the county and considered investment in tourism as a means of bringing money into the county together with investment in business. Members noted that a Task and Finish Group had recently been established to look at economic growth in the county.

In answer to a Member's concerns, the Chief Executive provided details of recent and forthcoming staff relocations and explained that the Assets Board was developing a new Asset Management Strategy that should be completed in January 2015; the Committee agreed that consideration of the development of this Strategy would feature as part of its future Work Programme.

The Portfolio Holder for Performance added that each of the Scrutiny Committees had considered the relevant performance dashboards according to their respective remits and the debates held had featured on performance rather than service cuts. In answer to a Member's query about the success of the Shrewsbury Music Hall, he stated that this could be looked at later but added that this was not the sole provision of this type in the county. Members had noted that Quarter 3 and Quarter 4 had shown a higher attendance level resulting from the annual pantomime.

A Member was concerned that a number of one-off savings did not appear to be achievable and stated that he would be interested to see the progress made illustrated in the Quarter 3 reports when they became available. The Chief Executive stressed that this was a year of unprecedented savings, £40M, and further information on any savings and their status [Green, Amber or Red] could be made available to any Member on request. The Committee Chairman commented that the Scrutiny Committees had been tasked with highlighting areas of concern.

Another Member queried the slippage in some areas and whether the outstanding savings would be achievable. The Portfolio Holder for Performance explained that the savings had to be made but there may be some slippage as the Council may not get it 'right first time' in all areas. He suggested that Officers should be congratulated on achieving significant savings and continuing to do so. The Chief Executive assured the Committee that the budget would be achieved, recurrent savings would go forward but detail in some areas was still to be worked through. A Member commented on the Council's three year Strategy where 50% of the savings required were to be delivered in Year 1; he suggested that the Council was on target to deliver £80M savings over the three year period.

In presenting information relating to the Environment and Services Scrutiny Committee, the Performance Manager explained that the Director of Commissioning had attended this meeting to explain the progress made and highlight areas in which the Committee may be interested to work in future. The Committee Chairman stated

that he believed that the identified savings within the remit of the Committee would be achieved and stressed that the Committee's aim was to ensure that local residents achieved value for money.

Referring to complex contracts with Veolia and Cerco, the Chief Executive stated that transformation and change was the way forward and added that contracts were renegotiable with the agreement of both parties. The Committee Chairman added that service redesign would lead to a better way of doing things and shared cost savings to the contractor and the Council.

The Performance Manager drew attention to the main areas of concern highlighted by the Young People's Scrutiny Committee namely, Children's Safeguarding and Social Care and Learning and Skills. Looked After Children [LAC] was recognised as an area of challenging and significant work for the Committee in future. A Member questioned why £1M savings would not be achieved in children's transport particularly as the Council had agreed a zero based budgeting process. It was noted that some of the transport savings were taking longer to materialise and savings may be identified in other transport budgets in the authority. The Chief Executive commented that transport savings affecting children could be very emotive and some difficult, albeit logical, decisions had to be made. He added that the Council was working to develop income streams in order to be less reliant on Government funding in future.

During the Committee's general debate the following points were also made:

- The role of Resources and Support Directorate was recognised as fulfilling a key role in enabling the Council to change and deliver its Business Plan and the Financial Strategy.
- The challenges in delivering the plans for Accommodation Plans for the Council were raised. The Committee agreed to meet with the Accommodation Group and understand the new Accommodation Strategy.
- The importance for the Council to maximise the opportunities to generate income/revenue from its capital assets was recognised, especially in the light of the reported and expected further reductions in funding expected beyond the current Comprehensive Spending Review period and in the new Government.
- The Committee's Work Programme will include understanding how the Council is enabling mobile and flexible working, which is expected to take a full view across a range of the services and support provided across the Council.

The Performance Manager added that the process of reviewing the progress with the Business Plan and Financial Strategy had identified further work programme topics that would provide material for all of the Scrutiny Committees to take a view of overall progress at specific points during the year whilst also contributing to the delivery of the Business Plan and Financial Strategy and holding the decision makers to account.

RESOLVED:

That, following detailed consideration of progress in delivering the Business Plan and Financial Strategy by each of the Scrutiny Committees, the points listed be agreed and taken into account during the Council's future consideration of its Business Plan and Financial Strategy:

- General satisfaction with the levels of savings identified as achieved and expected to be achieved, [based on the most recent reports and data available].
- Caution at the use of one-off savings to deliver the 2014/15 savings, recognising the implications for finding additional savings in future years to achieve on-going budgets.
- Recognition that 'salami slicing' from budgets is no longer possible and endorse the redesign of services. Specific mention was made about the need for a radical redesign of Transport.
- Areas of concern that were highlighted by Members included:
 - a) Increasing demand on Children's Social Care Services (especially Looked After Children) and Adult Social Care
 - b) Implications for the Council arising from national legislative changes such as the Care Act.

Some members of the Committee put forward a minority recommendation, as follows:

- We are concerned that given the new zero based budget we still have a number of red areas identified where savings have not been found, plus that one off savings are being found and used by the Council.
- We were disappointed that only one Cabinet member was in attendance for the scrutiny of the Council's Business Plan and Financial Strategy.

27 Date/Time of next meeting of the Committee

The next calendared meeting dates for the Committee are 3 December 2014 and 28 January 2015.

Signed (Chairman)

Date: