

SCRUTINY COMMITTEE

Minutes of the Meeting held on 12th July 2016 at 3.30 pm

Present:

Councillor G S DowdingChairman

Councillor B HeywoodVice-Chairman

Councillor I Aldridge
Councillor B Leaker
Councillor J Parbrook

Councillor R Clifford
Councillor B Maitland-Walker
Councillor R Woods

Members in Attendance:

Councillor M Chilcott
Councillor M Dewdney
Councillor A Hadley
Councillor K Mills
Councillor A Trollope-Bellew
Councillor D Westcott

Councillor H Davies
Councillor S Goss
Councillor R Lillis
Councillor C Morgan
Councillor K Turner

Officers in Attendance:

Chief Executive – P James
Director of Operations – Resources – S Adam
Assistant Chief Executive – B Lang
Assistant Director – Corporate Services – R Sealy
Principal Accountant – E Collacott
Corporate Strategy & Performance Manager – P Harding
Transformation Lead Officer – K Batchelor
Press Officer – D Rundle
Democratic Services Officer – Scrutiny – M Prouse

SC 14 Election of Chairman

RESOLVED that Councillor S Dowding be elected as Chairman for the meeting.

SC 15 Appointment of Vice-Chairman

RESOLVED that Councillor B Heywood be appointed as Vice-Chairman for the meeting.

SC 16 Apologies for Absence

Apologies were received from Councillors P Murphy and N Thwaites.
Councillor B Heywood was substituting for Councillor N Thwaites.

SC 17 Declarations of Interest

Members present at the meeting declared the following personal interests in their capacity as a Member of a County, Parish or Town Council:

Name	Minute No.	Description of Interest	Personal or Prejudicial or Disclosable Pecuniary	Action Taken
Cllr B Maitland-Walker	All Items	Carhampton	Personal	Spoke and voted
Cllr J Parbrook	All Items	Minehead	Personal	Spoke and voted
Cllr I Aldridge	All Items	Williton	Personal	Spoke
Cllr H Davies	All Items	Williton and SCC	Personal	Spoke
Cllr S Goss	All Items	Stogursey	Personal	Spoke
Cllr C Morgan	All Items	Stogursey	Personal	Spoke
Cllr A Trollope-Bellew	All Items	Crowcombe	Personal	Spoke
Cllr K Turner	All Items	Brompton Ralph	Personal	Spoke
Cllr D Westcott	All Items	Watchet	Personal	Spoke

SC 18 Public Participation

Phil Bisatt – Branch Secretary of Taunton and West Somerset UNISON had provided a statement to Members and made a statement highlighting specific areas of concern in relation to the proposals. Overall, the view of UNISON was that the case for adopting the proposed operating model had not been fully demonstrated for all council services. He referred to doubts raised about the suggested ICT solutions and most importantly, requested that any proposals should be fair to staff and should not risk damaging the current One Team as this would undermine effective service delivery.

SC 19 High Level Transformation Business Case

Councillor Anthony Trollope-Bellew – Leader of the Council presented this item.

The purpose of the report was to set out how the transformation vision could be delivered, and the key areas needing investment to enable change. The report set out the likely one-off costs of achieving this and the likely ongoing savings it could deliver for the Council.

During discussion, the following points were raised:

- The Leader introduced the item and stated that this was the most important decision for the future of the Council past or present, and it was important we get it right. Also the Leader recognised that around Governance more work needed to be done, with some more Member input, but the duplication in the processes is something we needed to address.
- The Director of Operations then went through a presentation to Members highlighting the key details of the report.

- The UNISON representative Mr Bisatt then made a statement based on the document circulated to all Members beforehand.
- Mr Bisatt fully understood the need for financial savings, but the transformation model had risks for staff and the Local Authority (LA) as it has been done elsewhere.
- Mr Bisatt informed Members that staff have walked out in the other authorities due to recruitment regime – 50 percent for West Devon and 40 percent for Eastbourne.
- Mr Bisatt warned Members that the software the LA is looking to buy may have issues with it – this was an IT driven solution and there was a risk this could not be as good as promised.
- Members raised concerns over how this new way of working is being stated, this is high level but back up detail must be provided for a permanent decision.
- Members wanted to know who had written the Business Case. Members wanted to know had there been a payment to the consultants for this work and how much is anticipated to be paid out in the future? *Officers stated that the report was written by the Director for Operations and the project team, and there was some overall project support from consultants IESE at a cost of £45,000; in addition there was advice from Civica/Ignite free of charge/at risk.*
- Member felt that locally based teams is a costly approach, in a diverse rural environment.
- Members wanted to know why the High Level Business Case does not mention products?
- *Officers responded that this is a High Level ‘proof of concept’ not the implementation stage and so did not have specific information around IT products.*
- Members felt that under the section ‘Benefits for Members’ there was nothing new here, only the mobile access part.
- Members raised concerns over the allocated budget for Video Conferencing costs of £40,000, why was it this figure and who did they envisage using it?
- *Officers responded that this area was currently being looked at in detail at the moment, and would depend on what Councillors decide to do at the implementation stage.*
- Member felt that the overall impression is that it does not gel and that there are details that are not provided that are needed before a major decision is made.
- Members were concerned over cash flows and as to how would we finance what we have to pay out before we get payback?
- *Officer responded that in terms of the funding of the proposals, there are a range of options that could be considered depending on what members choose to do. Transformation could be funded up front but difficult choices would have to be made to facilitate this.*
- Members felt that savings are still having to be made regardless, and that transformation will not close the gap on its own, and it is not, therefore, the ‘silver bullet’.

- Member felt that having drafted a Local Plan to 2032 and all the work associated with that, and to then go for the merger option, could result in the Council being largely subsumed and that this would cut across the stated aspirations of the current Council.
- Members stated that it cannot just be focus on the financials, as there have to be others such as legal implications.
- Members sought reassurances that the conclusions around financial assumptions were credible and realistic and asked how confident Officers were of raising the £800,000 shortfall of year on year revenue funding by 2021 through commercial means in West Somerset if Option 1 was chosen? Also, if that is not achieved, what will happen after spending £1,100,000 to implement Transformation?
- *Officers responded that Option 2 provides the better payback return, but commercial activity would honestly probably not deliver £800,000 worth of ongoing resilient income for WS.*
- Some Members were of the view that the figures in this report are the worst case scenario, we may actually gain from Business Rates and other things, and it may not be as bad as this report actually states.
- Portfolio Holder for Economic Regeneration expanded that as WS has virtually no economic regeneration resources, this area has a difficult climate of business regeneration, the £800,000 is going to be hard to deliver with a population of 35,000 people.
- Portfolio Holder for Resources considered that Financial Planning was key, and that the council cannot wait 18 months or a year, from this point to find this shortfall. Council decisions are made on spending on the cost of democracy verses services and it is owed to the public to deliver the best services possible and to keep democracy costs to a minimum.
- A view was expressed that whilst the economic Silver Bullet is Hinkley, it will not bring the benefit to the value needed to make the council sustainable. Other Councils are thinking outside of the box, one Council is borrowing money cheaply and then re-lending out at a higher value to fund their economic development. So the Council had to be brave, make change, otherwise it is dead in the water, the choice is fundamental to the survival of the Council.
- Members felt that the suggested benefits to members are things that Councillors are doing anyway, apart from the part about mobile access. Does that affect the costings as this is done anyway by some councillors?
- *Officer responded that it does not, as the technology will deliver the resource to support members to be the best they can in their localities.*
- Figures start from 2020/21, are any of these benefits going to be delivered before the new council would be in place?
- *Officers responded that Option 2 would take place, hopefully, in 2019, and so the financial benefits will be delivered from 2019 onwards. Savings from transformation come in earlier, but one off costs have to be dealt with.*
- Members queried the Design Principles include; would it be possible to have outputs or key performance indicators for each of the design principles, to judge whether they were successful or not?
- *Officers stated that this would take place at the implementation stage.*

- It was acknowledged that Mobile Access be good for members and the public
- Members requested clarification around Option 2 – if that was chosen, is it safe to assume that all current ring-fenced community benefits from the Hinkley project will remain ring-fenced?
- *Officers responded that the Hinkley Point funding is covered by existing legal agreements and governance arrangements which will not be affected by a merger.*
- Members also requested what happens to the TDBC Growth Agenda, or is any of that funding ring-fenced?
- *Officers responded that this would be a matter for the new merged Council and so it would not come with automatic ring fencing, and any New Homes Bonus would accrue to the new Council.*
- Members queried the Civica Business Case and the possibility for greater savings than 22% - more clarity was requested and would it be possible to get a higher % saving?
- *Officers responded that the suggested target savings were based on what they believed was possible on a range of figures and that the Council has gone for middle/lower figure which they were confident of delivering.*
- Concerns were raised around the Ignite/Civica Partnership particularly in regards to the working relationship/'partnership' between Ignite and Civica.
- *Officers responded that they are not in partnership and are individual companies that would have to be engaged separately in the procurement process. They have worked together before and therefore had a proven track record. Officers clarified that it was the approach suggested by Civica/Ignite that was being considered favoured whilst no specific ICT package for adoption had yet been chosen/procured as this would be art of the implementation stage.*
- Members had queries around HR Support and enquired whether it would be better perhaps to have a contract out to tender?
- *Officers responded that these questions would be considered as part of the implementation plan.*
- Members warned that IT was a very high risk area to work in - if the IT goes wrong it can be expensive, and unless it is known what the software architecture and the package looks like it would be hard to make a decision.
- Members requested a special session/drop-in session for those especially interested in the IT.
- *Officers responded that Civica have offered to come down and explain what the proof of concept is built on.*
- Members wanted to know if any additional IT services were required, was the council being asked to pay for these separately?
- *Officers responded that this was correct but that an allowance was already in the business case figures to cover for this.*
- Members had questions around the IT Solution as part of this package.
- *Officers reassured Members that, if they wished, Scrutiny could be involved in monitoring the ICT element of transformation process in the implementation stage.*

- It was pointed out that the Council cannot afford to buy a system that doesn't work, could there be some reassurance around this that there will be a test of the system and that it will be futureproofed?
- *Officers concurred that this was the case.*
- A Member indicated that the new proposed system would be an improvement over the current ways of working where you have to approach each council service area separately.
- Members raised the possibility of a Joint Scrutiny process with TDBC to look at HR and IT when in the implementation stage.
- Members did state that West Somerset, with one of the oldest population profiles in the country, with broadband access issues could pose a problem for customers of the council under the proposed new ways of working.
- *Officers responded that there still would be provision to meet the needs of customers who were unable/unwilling to use ICT based options.*
- It was also stated that to deal with the Council sat in your own home was easier than travelling into Williton. Other places are using such technology and the council needs to embrace change to move into the 21st century.
- Members queried whether true democracy was too expensive to operate and the proposed streamlined governance proposals would emasculate the role of the Members and could erode the principle of democracy
- The Leader emphasised the current governance arrangements do need to be refreshed as they were antiquated, with lots of duplication from PAG to Scrutiny to Cabinet to Council etc.
- Councillor Parbrook read through a prepared statement representing some of the Scrutiny Committees shared thoughts as follows:
 - The Councils can transform only once and should be looking at more than 22% savings, possibly something between the two business cases e.g. 30-35%.
 - Consideration should be given to putting all staff at risk to ensure that the council can recruit what we need; possibly increased redundancy costs could be set, to some extent against training and associated costs.
 - HR Support – consideration should be given to putting the HR Contract out to tender.
 - Consideration should be given to more Councillor involvement in HR issues e.g. an HR Committee.
- Some Members highlighted concerns when it comes to investment in a merged scenario as the majority of the investment would situate on the areas near Taunton with its connections to infrastructure. If West Somerset will lose out, how will that be managed?
- Other Members countered that a new council would have to cater for the whole of the new area.
- Members considered that the size could be considered a strength as opposed to a weakness – Taunton – M5 corridor but also WS coastal strip with tourism.
- In terms of the three options no member expressed a preference, only Councillor Aldridge commented that Option 3 is an option he considered would not be viable.

- The Chairman noted that Option 3 had not been supported by any of the Members during the debate.

RESOLVED (without a vote) that:-

- Scrutiny has considered the High Level Transformation Business Case and has offered comment on the proposals therein as set out above.

SC 20 Scrutiny Committee Work Plan.

(Copy of the Forward Plan for 2016, circulated with the agenda.)

Members were reminded that this was their opportunity to suggest items for the Work Programme – all requests will be considered using the process agreed by the Committee in June 2015. In the first instance, all suggestions should be made to the Scrutiny Team.

RESOLVED that the Scrutiny Forward Plan published on 12th July be noted.

The meeting closed at 6.52pm.