

Shadow Scrutiny - 26 November 2018

Present: Councillor P Murphy (Chairman)

Councillors F Smith-Roberts, G James, S Coles, R Lillis, D Mansell, P Pilkington, P Watson, R Woods, G Wren, N Thwaites, C Booth (In place of R Henley) and J Parbrook (In place of B Maitland-Walker)

Officers: Shirlene Adam, James Barraah, Emily Collacott, Paul Fitzgerald, Paul Harding, Penny James, Marcus Prouse and Clare Rendell

Also Present: Councillors M Dewdney, A Hadley, A Trollope-Bellew and D Westcott

(The meeting commenced at 6.00 pm)

25. Apologies.

Apologies were received from Councillors R Henley, B Maitland-Walker and R Ryan.

26. Minutes of the previous meeting of the Shadow Scrutiny Committee.

The minutes of the meeting of the Shadow Scrutiny held on 23 October 2018 were taken as read and were signed.

27. Declarations of Interest.

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

Name	Minute No.	Description of Interest	Reason	Action Taken
Cllr S Coles	All Items	SCC & Devon and Somerset Fire and Rescue	Personal	Spoke and Voted
Cllr G James	All Items	Wellington	Personal	Spoke and Voted
Cllr D Mansell	All Items	Wiveliscombe	Personal	Spoke and Voted
Cllr P Murphy	All Items	Watchet	Personal	Spoke and Voted
Cllr J Parbrook	All Items	Minehead	Personal	Spoke and Voted
Cllr P Pilkington	All Items	Dunster	Personal	Spoke and Voted
Cllr P Watson	All Items	Bishops Lydeard	Personal	Spoke and Voted
Cllr G Wren	All items	Milverton Parish Clerk	Personal	Spoke and Voted
Cllr A Trollope-Bellew	All items	Crowcombe	Personal	Spoke
Cllr D Westcott	All Items	Watchet	Personal	Spoke

Councillor N Thwaites declared a personal interest in respect of Item 6 Fees and Charges 2019-20 on water charges.

Councillor Coles declared a personal interest in respect of Item 6 Fees and Charges 2019-20 as he was a blue badge holder and also a member of the Friends of Victoria Park Action Group.

Councillor A Trollope-Bellew declared a prejudicial interest in respect of Item 6 Fees and Charges 2019-20 as the owner of a private water supply and advised that if the matter were to be specifically discussed he would leave the Chamber during this item but would otherwise stay and participate fully in the item.

28. **Public Participation.**

Agenda Item 6 Fees and Charges 2019-20

John Irven spoke on behalf of Watchet Summertime Voluntary Community Group.

Watchet Summertime was a local voluntary community group who organised an annual week of activities on the Esplanade, East Quay and Harbour by permission of Watchet Town Council (WTC), West Somerset Council (WSC) and Watchet Marina, with the support of Watchet Sea Scouts and Coastguard.

Attendance at events was free of charge with costs covered by volunteer fundraising.

He argued against this proposal at the December 2017 Full Council meeting, when all charges were waived for 2018. Although a WSC Cabinet Member had indicated publicly at WTC that this proposal was not returning, it's back on the agenda and showed that voluntary community groups would be charged even if Sea Scouts were exempt.

The new annual charge of £100 for 'non-standard shared use of the Harbour' was proposed but not defined in the report. Lifeboat use was exempt, but coastguards were not mentioned. Last year it was suggested it was not a 'usage charge' but for administrative checking of documents. It was claimed to be heavily discounted for charities and community groups and that it was only an annual not a pro-rata daily or weekly rate, as applied to all other commercial paying users. Such a proposal was therefore deficient in scope and discriminatory under the 2010 equalities legislation.

The report claimed: -

'The increase in fees would bring new income for the authority, and therefore an improvement in the councils Medium Term Financial Plan (MTFP). However, the user numbers in the harbour were not significant, therefore the overall benefit to the MTFP was considered to be £500.'

The contribution to the £500 from community groups would be pitiful in terms of Somerset West and Taunton Council's finances, but a major impact and inequitable for community groups. I suggest that the net return would be negative due to all the officer time expended in meeting clarifications of exemptions and challenges to the proposal.

At a time when the New Council was expounding a new approach to community engagement, this proposal to charge community groups had so many holes in it that it was dead in the water and should be allowed to sink quietly without trace before any further reputational damage was done.

29. **Fees and Charges 2019-2020.**

Members considered report previously circulated, which set out the proposed fees and charges that were proposed to be applied to services for the first time for the New Council for 2019-20. In determination of those fees and charges, the following principles had been applied:-

- 1) Harmonisation of fees when it had been practical to do so;
- 2) Recovery of costs; and
- 3) Setting of fees in line with statutory guidance.

In the setting of those fees and charges, a pragmatic approach had been taken for the first year of the New Council. A detailed review would be undertaken once the new operating model was embedded and fully in place.

During the discussion of this item, Members made comments and statements and asked questions which included:-

- Members were advised that the proposed charge for non-standard use of the harbour, which was due to be levied on the Sea Scouts and Community Groups, had been removed from the Fees and Charges report.
- Concern was raised on Appendix D for Housing Service Charges and that the charges for properties not on the mains sewer would be increased in line with Wessex Water increases for 2019-20 once they were known. *Due to the figures not being released, officers could not calculate the increase for the charges.*
- Concern was raised on Appendix E for Licensing and the significant rise in the animal licensing fees for West Somerset Council (WSC) licence holders. *The fees had been aligned with the true cost of the service provided, which had not been done for the WSC fees for a few years.*
- Members queried why the gambling fees had remained the same and why the higher fee for casinos had not been used. *It was assumed that the higher fee was mainly charged to those casinos located within larger towns and cities.*
- Concern was raised on Appendix F for Planning and that there wasn't any information included within the report on the current fees. *The Government had aligned the fees a couple of years ago so they were not included in the report.*
- Members requested clarification on the how the fees had been calculated and concern was raised that we only recovered two thirds of the costs. *The Planning fees were set by Central Government which meant officers were restricted in what could be charged.*
- Members requested clarification on Appendix G for Environmental Health and the charges for private water supplies. Concern was raised that the cost of travel would be included which could increase due to officers working across a larger area. *Clarification was given on the charges and Members were advised that officers did not carry out one off visits, they planned their workload to be as cost effective as possible.*
- Members queried Appendix H for Promotional Banners, Pennants, Rotunda Poster Units and Spaces within Taunton Town Centre and whether all the spaces were utilised.

- All the spaces had been used at various times throughout the year.*

 - Members queried whether the use of promotional space could be rolled out in other towns within the New Council area.
Officers were happy to investigate the option to utilise promotional spaces outside of Taunton Town Centre but would need to consult with the communities involved. The only concern would be that the ideal locations were not always owned by the two Councils.
- Concern was raised on Appendix K for Court Fees and the increase of the fees for WSC.
The fees had been aligned with the true cost of the service provided.
- Members welcomed the removal of the proposed charge for non-standard use of the harbour, which was due to be levied on the Sea Scouts and Community Groups from Appendix L for Watchet and Minehead Harbours.
- The Chairman highlighted that the Watchet Harbour Advisory Committee and the WSC Harbour Board were scheduled to hold meetings in December 2018 and could submit comments on the proposed fees and charges to the Shadow Council.
- The Chairman proposed the insertion of an additional sentence to the second paragraph in Appendix M for Off Street Parking Charges, which was 'The work would have regard to the current Taunton Deane Borough Council (TDBC) car park strategy and the emerging WSC car park strategy'.
- Concern was raised on the introduction of the 'pay on foot' scheme to the car parks in Taunton Town Centre and that it would not allow for blue badge holders to claim their free one hour parking.
The Crescent car park in the town centre would not use the 'pay on foot' scheme which allowed blue badge holders to park and claim their free one hour parking.
- Concern was raised on the parking fees charged for coach parking in the Tangier car park and Members suggested that the charges should be dropped to encourage tourists and other groups to visit the town.
Officers would further investigate what the possible impact of dropping the charge would have and that was supported.
- Members requested clarification on why the car park charges had not been decreased.
Officers had identified some work that needed to be carried out in the car parks and the funds raised would be used to invest in the sites.
- Concern was raised on Appendix N for Hire and Sponsorship of Open Spaces, Parks, Roundabouts and Plant Beds and that some smaller organisations and charities struggled to hold events in the Council's open spaces due to the fees they were charged.
Members highlighted the proposed discount stated in the appendix for 'Friends' and other various groups, which should address the concern raised.
- Members requested clarification that in WSC there was no charge for the use of Council owned land and whether that would continue.
Officers confirmed that a charge had not been proposed so therefore there would be no charge for the financial year 2019-20.
- The Chairman thanked the officers for all their work on the report.

Resolved that the Shadow Scrutiny Committee recommended to support the proposed fees and charges for 2019-20 and provided comments on the proposals for consideration by Shadow Executive Members for their recommendations to Shadow Full Council in December 2018.

30. **Transformation Update and Implementation Plan.**

Members considered report previously circulated, which provided an update from the Chief Executive and commentaries on the Programme, Finances, Business as Usual, Top Risks and Recommendations.

Redundancy

Since the Transformation update in September 2018, it was now known that 32 people had opted for redundancy in Phase One and 121 people in Phase Two. The figures for Phase Two might increase depending on whether people were successful in securing a job role. The Business Case had included an estimate of £3,000,000 to fund redundancies excluding the DLO workforce. The redundancy cost attributable to the DLO was estimated at £798,000. It was suggested that the cost was recovered on the same basis as the original Business Case of 2.29 years. Annual savings of £348,000 would be required and would be achieved by reducing the number of Locality Champions recruited by 13. The total savings target for the Business Case would be revised to £3,500,000 with a net pay back period of 2.7 years which was still regarded to be acceptable in terms of value for money. The revised estimate for total redundancy costs (excluding the DLO) was £4,480,000. The original Business Case included an average cost of redundancy of £25,000 but in reality it had proven to be £34,000, which had driven up the overall cost of redundancies. The Section 151 Officer and Transformation Principal Accountant had put together a funding plan for the additional costs.

Business As Usual

Members were reminded that there would be an impact on service delivery during the implementation of the change programme. The report highlighted why capacity would be stretched, that some work might need to be re-phased, non-essential activity might be stopped and there could be a temporary dip in performance. The priority tasks had been: managing the impact of the Phase One recruitment decisions; reviewing the list of staff choosing to leave in Phase Two; Phase Two recruitment; and extensions and risk areas.

During the discussion of this item, Members made comments and statements and asked questions which included:-

- Members supported the inclusion of the DLO workforce in the Transformation Project. However, concern was raised that they had not been included at the start of the Project, it was a high level model and Members had assumed that the DLO workforce had been included. *The Ignite future model had been used for the original Business Case and they had never included operational workforces previously in other models because operations were outside the scope used for savings. TDBC and WSC then added the DLO workforce because locality work was important to the new ways of working introduced by the Project.*

- Members hoped that Ignite might think to include operations in future models that they used.
- Members suggested that they should have been involved at the start of the Project via a HR Committee to help shape the process.
The model that was chosen opted to include Members in workshops to help guide the design principles, one of which included 'digital by default' not 'digital only' like the Department for Work and Pensions. The Chief Executive along with senior officers then investigated how other Councils had achieved similar projects and who had been used to implement their changes. Ignite were chosen based on the work they had carried out on similar projects. They then set out to deliver the design principles with the future vision within the Business Case parameters. The Chief Executive was not sure how more involvement would have led to a different outcome.
- Members agreed that the digital option needed to be pursued to improve services provided because many of the processes used were archaic.
The Chief Executive agreed that the processes were archaic and needed to be updated, hence the introduction of new methods of working within the Project.
- Members queried the transition costs to keep business as usual service capacity and the additional cost to achieve an acceptable level of service.
The Chief Executive understood that there would be transition costs involved in the Project, however, where the disruption to services would take place was unknown. In the transition period, it had been difficult to carry on with services due to the unknown factors, like who would be recruited, who would leave and who would not be successful. In previous projects, the changes had been very structured and there had been assimilation. With the Transformation Project, senior officers had decided to continue with the model and vision to deliver the 23% savings.
- Members agreed with the vision of the Transformation Project. However, concern was raised that senior officers had only just realised that there would be additional costs and Members queried how that would be explained to the public.
The original Business Case had used estimated figures so it was difficult to report accurate costs. In hindsight senior officers should have been more realistic and used a range and therefore a maximum figure would have been reported. The return investment over 3 years was still a good business case. Concern over public perception was also understood, especially with figures being reported by the local press. However, the New Council pledged to continue to provide leisure services and the DLO service. Not many other Councils within Somerset had achieved that.
- Members agreed that it was a difficult task and that there would be unforeseen gaps in service areas due to the voluntary redundancy scheme that was being used.
- Members queried how the DLO functions would work in the new model and how the workforce would be able to answer queries from the public.
Information was given on the recruitment process and what choices officers had for job applications and redundancy. Extra work had been carried out with the DLO workforce to assist them with the new ways of working and public enquiries.

- Members queried whether the workforce would be in place for April 2019. *Yes it would, if there were any vacancies left in the new model, they would be advertised externally.*
- Members queried the statement in the report that quoted 'additional budget approvals would be required by the two individual Councils'. *The recruitment process had not yet finished, there might be some people who were not successful or changed their minds and decided to leave, so officers had set aside additional budgets from both Councils to cover those costs.*
- Members acknowledged that some work might take longer to complete during the transition period and that work needed to be prioritised.
- Concern was raised that although some work might take longer, Members did not want service levels to drop to an unacceptable level. *Unfortunately officers could not guess who would leave a department and create a gap in service. In the new model, departments would disappear, but the vision was to provide the same high level of service.*
- Members suggested that officers used their 'out of office' message on their emails to advise and direct people to who were responsible for certain roles that were no longer part of their new job role.
- Members queried that WSC had allocated their budget underspends but that TDBC did not appear to do the same. *TDBC did not have any budget underspends.*
- Members requested clarification that TDBC allocated their underspends mid-year and then reconciled any overspends by using their earmarked reserves and queried what would be affected by that. *Based on their previous position, there was resilience in the accounts to cover any work that might come up later in the year. A written answer would be reported at the next meeting.*
- Members queried how the costs had been split between the two Councils, previously it had been TDBC 80% and WSC 20%, now it was TDBC 83% and WSC 17%. *The Housing Revenue Account had not been included in the initial case.*
- The Chairman adjourned the meeting at 8.30pm for a 15 minute comfort break.
- The meeting recommenced at 8.45pm.
- Concern was raised that there were 82 actions that had not been started and what level of importance those actions had. *The actions had a varied level of importance, some were waiting for further information before they could be started, for example VAT number and logo. All the actions needed to be completed by April 2019 and officers were aware that February would be the most disruptive month and that work would be given proportionate priority.*

Resolved the Shadow Scrutiny Committee:-

- 1) Noted the progress made in respect of (a) transformation programme overall, (b) business as usual, and (c) preparation for single New Council implementation;
- 2) Noted the position in terms of transformation, transition costs, and support recommendations to Taunton Deane and West Somerset Full Councils in respect of proposed additional funding allocations;

- 3) Supported the proposed increase of the annual savings target by £348,000 to £3,500,000; and
- 4) Noted that increased savings would make a positive contribution to the New Council Medium Term Financial Plan.

31. **Budget Progress Update 2019-2020.**

Members considered report previously circulated, which provided Members with an update on progress with regard to Budget Setting for 2019-20; the latest Medium Term Financial Plan (MTFP) forecasts; and the areas to be finalised.

The Council's current MTFP projects a balanced budgetary position for 2019-20, but with a Budget Gap rising to £343,000 by 2023-24.

There remained a number of areas where budget forecasts were to be finalised therefore there was potential for the estimated Gap to change and this would be reported to Members as the budget process progressed.

During the discussion of this item, members made comments and statements and asked questions which included:-

- Members queried when the result of the Business Rates Retention Pilot bids would be announced.
The result should be released on 6 December 2018.
- Concern was raised on the recruitment process of the Transformation Project and whether the budget would be ready for February 2019.
The budget should be ready for February 2019 because work had already begun in preparation.
- Members queried whether the New Homes Bonus would be targeted at work required on new housing estates or other projects.
The figure in the report mirrored how the existing New Home Bonus was used for both TDBC and WSC.
- Members highlighted that TDBC had a growth programme and suggested training would be needed for all Councillors moving forward.
There would be a Member Briefing arranged for the new year.
- Members queried what information would be included in the Local Government Finance Settlement.
It would include figures for the New Council, the Revenue Support Grant, New Homes Bonus, Rural Service Delivery Grant and, if successful, the Business Rates Retention Pilot Scheme.

Resolved that the Shadow Scrutiny Committee:-

Noted the latest Medium Term Financial Plan forecasts and the areas to be finalised; and

Commented and offered any further suggestions for budget review/savings.

32. **Shadow Scrutiny Work Programme.**

Members were reminded that if they had an item they wanted to add to the agenda, that they should send their requests to the Governance and Democracy Specialist.

The Chairman advised that the SWP Business Plan would be removed from the Shadow Scrutiny Work Programme and be taken straight to the Shadow Executive due to the need to consider it before the board meeting on 14 December 2018.

The Chairman queried whether the Finance Strategies scheduled for the February meeting should be taken to the Shadow Corporate Governance Committee instead of Shadow Scrutiny. Members had a debate and agreed that the Finance Strategies would be presented along with the other Finance Reports and be brought to the Shadow Scrutiny in February 2019.

Resolved that the content of the Work Programme be noted.

(The Meeting ended at 9.30 pm)