

## **SCRUTINY OVERVIEW COMMITTEE**

**Tuesday, 28 July 2020 at 6.00 pm**

**Virtual meeting via Microsoft Teams**

Held in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020; and conducted according to the Council's Standing Orders for Remote Meetings and those set out in the Council's Constitution.

**Committee Members present:** Councillor J. Murray (Chair)  
Councillor A. Nawaz (Vice-Chair)  
Councillor S. Ditta  
Councillor K. Ferguson  
Councillor K. Hussain  
Councillor W. Rasab  
Councillor I. Robertson  
Councillor S. Samra  
Councillor I. Shires  
Councillor M. Statham

**Portfolio Holders present:** Councillor M. Bird – Leader of the Council  
Councillor O. Butler – Clean & Green  
Councillor B. Chatta – Personnel & Business Support  
Councillor S. Craddock – Health & Wellbeing  
Councillor R. Martin – Adult Social Care  
Councillor G. Perry – Community, Leisure & Culture  
Councillor T. Wilson – Children's Services  
Councillor C. Towe – Education & Skills

**Officers present:** Ms D. Hindson, Executive Director – Resources & Transformation  
Mr P. Gordon, Director – Resilient Communities  
Mr S. Wootton, Financial Planning Manager  
Mr N. Picken, Senior Democratic Services Officer  
Dr P. Fantom, Democratic Services Officer

## **WELCOME**

The Chair opened the meeting by welcoming everyone, and explaining the rules of procedure and legal context in which the meeting was being held. He also directed members of the public viewing the meeting to the papers, which could be found on the Council's Committee Management Information system (CMIS) webpage.

Members and officers confirmed that they could both see and hear the proceedings.

**247/20 APOLOGIES**

Apologies for absence were received on behalf of Councillors A. Andrew and L. Jeavons.

**248/20 SUBSTITUTIONS**

Councillor I. Robertson substituted for Councillor L. Jeavons.

**249/20 DECLARATIONS OF INTEREST AND PARTY WHIP**

There were no declarations of interest or party whip for the duration of the meeting.

**250/20 LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985  
(AS AMENDED)**

There were no items of business that required the exclusion of the public.

**251/20 MINUTES**

A copy of the Minutes of the meeting held on 30 June 2020 was submitted [Annexed].

**Resolved** (by roll call):

That the Minutes of the meetings held on 30 June 2020, a copy having previously been circulated, be approved and signed by the Chair as a true and accurate record.

**252/20 PRE-AUDIT OUTTURN 2019/20**

A report on the Pre-Audit Outturn 2019/20, appended to which was the report submitted to the Cabinet on 17 June 2020, was received and considered [Annexed]. The Leader of the Council, Councillor Bird, presented the report and highlighted the pre-audit outturn for both revenue and capital for 2019/20, for the Council as a whole.

It was noted that the overall net revenue pre-audit outturn was £121.08m, against a budget of £121.37m with an underspend variance of £291k (0.05% of gross expenditure) net of carry forwards of £144k. This included the impact of Covid-19, which was estimated at circa £269k, including loss of income of circa £84k and additional one-off costs of circa £185k. Action had been taken corporately to address ongoing demand and cost pressures within all services, mainly within Children's Services and Adult Social Care, which had enabled the Authority to outturn with a small underspend for the year. Total revenue carry forward requests of £144k had been approved by the Section 151 Officer following approval of delegations from Cabinet in May 2020, as shown in table 1 of the report. The opening balances would be £14.38m, as at 1 April 2020, which (pre-Covid-19) was considered a prudent amount for 2020/21

and was within the parameters as required by the current medium term financial strategy (MTFS).

The pre-audit capital outturn was a net underspend of £2.51m, net of Council-funded carry forwards of £18.89m and externally funded carry forwards of £43.35m. The capital underspend would be used to support the 2020/21 capital programme that was approved by the Council in February 2020. In relation to the externally funded carry forwards, it was noted that £34.40m related to schools/children's and £6.89m to major regeneration schemes.

The financial health indicator demonstrated strong treasury management performance for 2019/20, strong balance sheet financial performance, Council tax and business rate collection rates as expected, strong sundry debtor collection rates (an overall average number of 25 days) and strong creditor performance (an overall average number of 10 days). For 2019/20, the Business Rates Retention Scheme had shown an in-year surplus of £1.1m on the collection fund, and taking account of a brought forward deficit from 2018/19, the net position was a surplus of £0.90m carried forward with £0.89m attributable to Walsall Council. The Council Tax Collection Fund for the 2020/21 financial year would commence with a surplus of £2.173m; however, any surplus or deficit during 2020/21 would have an impact on the following year's budget setting process and not the in-year general fund position. During 2019/20, the Council had complied with all legislative and regulatory requirements, as well as local indicators. All indicators were currently being met apart from L5 – Average interest rate of external debt outstanding excluding OLA.

Further to a reference by Councillor Robertson to the current reduction in interest rates, and the cost impact arising from this in conjunction with a possible second COVID-19 wave, and Brexit, which could necessitate the Council having to use its reserves, it was noted that this report was concerned with the outturn during the 2019/20 financial year.

A Member stated that the Committee should recognise the good work that had been done by the Council's Finance team under these circumstances. Reference was also made by Members to the position with regard to Children's Services and Economy & Environment, as set out in sections 4.3, 4.9, 4.10 and 4.11 of the Cabinet report. The Portfolio Holder – Children's Services, Councillor Wilson, reported that the Regional Adoption Agency underspend of £131,455 was to be returned and would be used to fund contributions in 2020/21. He also pointed out that there had been an underspend of £12,639, which was due to a delay in the move to the localities of Children's Social Care services and that a contingency had been given in 2019/20. Clarification on this was provided by the Executive Director – Resources & Transformation, Ms Hindson, and the Financial Planning Manager, Mr Wootton, who noted that with reference to Table 1 in the report that there was an overspend of £1.1m in Children's Services that reflected the ongoing cost pressures, especially in terms of looked after children.

A Member raised questions with reference to Open Plus in libraries, the District town centre's public realm improvements, Walsall market, and the Walsall town centre master plan. In response, the Portfolio Holder – Community, Leisure & Culture, Councillor Perry, reported on the efforts to reach a solution in terms of Open Plus in libraries but noted that this had been unsuccessful due to insufficient engagement by the company concerned. He explained the attempts made to limit the impact of Open Plus, in order to keep libraries open, as the expenditure on Open Plus should have resulted in savings, longer

opening hours and fewer staff being required. He added that Open Plus had been abandoned despite the Council's efforts to work with the company, and that there was not currently a product of equal calibre in the market.

The Portfolio Holder – Education & Skills, Councillor Towe, commented on home to school transport for children with special needs, which had been a cost pressure for a number of years, and requested that a final figure on the overspend be provided by the officers. Councillor Nawaz noted that this service had not been fully provided for several months and enquired by how much the costs were expected to increase in the coming year. In response, Councillor Towe stated that, further to agreement by the Cabinet, the contracts with the transport providers had been honoured and the savings otherwise expected had not therefore been achieved. Having regard to future expectations and requirements, and ensuring that all arrangements were made given social distancing, advice from the Government was awaited. In relation to social distancing, Councillor Bird noted the vehicle fleet's flexibility and that cost pressures arose from honouring the agreement with providers. He added that a number of providers had assisted in other work, such as delivering parcels to vulnerable people, and had been paid the full rate, whereas others received a proportion of the full rate.

A Member enquired about the transport of children and the increase in out of Borough demand and Councillor Towe informed the Committee that children had to be transported to the locations specified in their Education, Health and Care Plans. During discussion, it was noted that whilst the provision of home to school transport was not a statutory service, some local authorities had been challenged in the courts, and the Authority remained bounded by the relevant regulations. Further to a request from a Member of the Committee, it was requested that officers advise the Committee of the number of Walsall children currently in receipt of out of Borough transport.

In relation to the refurbishment of Orchard Pavilion, an explanation was requested for the overspend be provided by the officers. Mr Wootton indicated that he would provide a response on this matter.

The Chair sought clarification regarding the net borrowing costs/Council Tax requirement and NNDR contribution, as shown in Appendix 3 of the report, which gave a target of 12.5% whilst the actual in 2019/20 was 3.78%. Mr Wootton indicated that he would arrange for an explanation to be provided on this.

**Resolved** (by roll call):

1. That the pre-audit revenue outturn 2019/20 for the Council as a whole, i.e. an underspend of £291k, after the approval of carry forwards, be noted;
2. That the pre-audit capital outturn 2019/20 for the Council as a whole, i.e. an underspend of £2.51m, after the approval of carry forwards, be noted. The capital underspend would be used to support the 2020/21 capital programme, as approved by the Council in February 2020.

A report on the Corporate Financial Performance 2020/21, Covid-19 update and Budget Framework 2021/22 – 2023/24, as reported to the Cabinet on 15 July 2020, was submitted [Annexed] and was presented by the Leader of the Council, Councillor Bird.

It was reported that the Government originally committed to providing full compensation for the costs of authorities' responses to Covid-19 and to date had allocated £25.81m, of which £17.48m was unringfenced s.31 grants and £3.88m hardship funding ringfenced to council taxpayers, to support the Council's response to the pandemic. Grants to business totalling £54m were being administered by the Council's Revenue and Benefits team and positive feedback had been received in respect of this. In relation to Walsall's share of the £0.5bn Covid-19 support package announced on 2 July 2020, it had been confirmed on 16 July that £2.94m had been allocated to the Council.

A minimum of £35m of additional costs had arisen due to the significant loss of income following the closure of services and facilities together with delays to the delivery of approved budget savings as the Council refocused its resources to respond to Covid-19. Allowing for unringfenced Covid-19 Government grants and yet to be confirmed grants for loss of income, net pressures of between £11m to £23m were anticipated.

Councillor Bird advised the Committee that he had spoken to the Secretary of State for Housing, Communities and Local Government, Robert Jenrick, and sought commitment for a pound-for-pound repatriation for the costs incurred, given that allowing for grants received and expected, an underfunding cost pressure of £11m was still being faced. Should the Government not provide this compensation, the Council would potentially have to make decisions that could affect services during this year and the next. The full impact on the 3-year medium term financial outlook was still being assessed and a report would be made available to the Committee in September 2020. It was noted that in relation to the capital programme, there was an overspend of £110k. However, it was expected that the capital programme could bring forward the expenditure necessary for capital projects.

It was noted that costs had been three-fold, namely additional costs of PPE, the Council's share towards the cost of the temporary mortuary facility at Birmingham Airport, and the delivery of food parcels to vulnerable people. Allowing for loss of income, there had been additional costs during April – July of £11m. Should no further funding be available, or funding be insufficient to cover the minimum shortfall of circa £11m, action would be required to address the shortfall and these were outlined in section 4.32 of the report.

In response to a question regarding the award of £55m from central government for business support, it was confirmed that approximately 90 per cent of eligible businesses had been identified, and had made use of the service, which was widely published.

Further to a question concerning the £50k overspend within the Regional Adoption Agency (RAA), due to a historic inter-agency fee invoice, and an increase in contributions payable to the RAA, Mr Wootton would provide a response in the light of pressures facing this year's budget. Councillor Wilson added that the underspend in the previous year would be allocated to the services that the RAA was being asked to provide and that it was probable that there would be an overspend.

In response to a question regarding the £375k un-achievement of planning income (non-Covid-19 related), Councillor Bird explained that due to the circumstances, a restructuring of the Planning team had been necessary. However, this had resulted in difficulties in getting applications to the Planning Committee, and the validation process had fallen behind, but that this was being addressed.

Further to questions regarding the 2.5% cuts in public health and the impact that a second Covid-19 wave might have on mental health, Councillor Bird summarised how the Government would be approached should there be a second wave. He also emphasised the role being played by the Allotment movement in local community outlined how this might be expanded in the Borough, with this being supported by the Portfolio Holder – Clean & Green, Councillor Butler.

In response to a question regarding the repatriation of income and whether this would relate to, for example, activity centres or demonstrable income, Councillor Bird confirmed that it would encapsulate both.

A Member enquired about the quantity of PPE material being supplied to third parties, and it was noted that for example, whilst care homes were private businesses and had a responsibility for the welfare of their employees, some support had been provided to those in the Borough by the Council.

**Resolved** (by roll call):

1. That the current impact of Covid-19 on the current financial performance of the Council, and the ongoing impact should identified pressures not be covered by specific grants made available for this purpose, be noted;
2. That a number of non covid-19 related demand and other service pressures totalling circa £4m, and that action is being taken to address in year, be noted;
3. That the forecast capital position as a marginal £110k overspend after re-phasing of £1.79m into 2021/22 be noted;
4. That the financial health indicators and prudential indicators as at May 2020, and changes to the Medium Term Financial Strategy, be noted;
5. That work is underway to update the Medium Term Financial Outlook, and the process for setting the 2021/22 to 2023/24 budget framework, be noted.

**254/20 A REVIEW OF THE RESILIENT COMMUNITIES MODEL**

Further to Minute 201/20, the report of the Resilient Communities Working Group, which had been established to assess the resilient communities model, was received and considered by the Committee [Annexed].

The report was presented by Councillor Nawaz, as the lead member of the Working group, who emphasised the findings of the Working Group in terms of consultation and why the Council's protocol on this had not been followed, clarification of roles, and

strategic programmes and how these would be affected. Councillor Samra noted that there had been issues regarding the relationship with One Walsall and other partners in the voluntary sector. Councillor Shires referred to the amount of duplication that had been found by the Working Group and that whilst there were some areas of the Borough that were resilient, there were others that required a lot of support. The Chair noted that it had been disappointing that many community leaders and Council officers did not know about the model and did not appear to have been consulted about it.

A Member stated that although the model might need some refining, it had served the communities in Walsall well, especially during the pandemic, and he commended its delivery. Councillor Bird referred to the traditional disconnect between the voluntary sector and the Council, but noted how this had been overcome during the pandemic by the communities and through the work carried out by the Councillors and officers involved. Councillor Nawaz emphasised that the Working Group's report pre-dated the Covid-19 and that it was not intended to be critical but constructive.

Councillor Perry acknowledged that the Working Group and its report were prior to the Covid-19 pandemic and that it had always been the intention for the model to be reviewed. However, he believed that in terms of the support offered to communities during the pandemic, without the model being in place, the positive reaction within the communities would not have been so pronounced. He also referred to developments and expectations regarding future relationships with other bodies, including the Walsall Together Partnership. It was pointed out that a national report on resilience and resourcefulness in communities during the pandemic had recently been published and this indicated that Walsall's experience compared well with other areas.

A Member of the Committee applauded the report of the Working Group and that the feedback offered would help to improve the model.

Councillor Towe emphasised the closer working relationship between Council officers and all of the schools in Walsall, which would be to the benefit of all of Walsall's children. With reference to the earlier points regarding One Walsall, he referred to a recent meeting and the positive comments and feedback that had been generated.

Councillor Shires reiterated that the working group report was not intended to be critical but made the point that there were issues concerning consultation and ensuring that the lessons were learned from the Covid-19 experience. He stressed that some of the communities were not as resilient as the others due to lack of resources, and that capacity building was required. Councillor Statham stated that it was important that the positives of the resilient communities model should be built on.

**Resolved** (by roll call):

That the final report of the Resilient Communities Working Group, together with the comments of the Committee, be forwarded to the Cabinet for consideration.

## 255/20      **FORWARD PLANS**

The Forward plans were considered by the Committee[Annexed].

A Member noted that there were three transport-related decisions to be considered on the Council's Forward Plan of Decisions, which were due to be considered by the Cabinet in September 2020, and upon which the Committee should be given the opportunity to comment in advance of this.

- Black Country Transport Team Collaboration Agreement
- A34 Walsall to Birmingham SPRINT (Bus Rapid Transit) scheme
- West Midlands Enhanced Partnership Scheme

**Resolved** (by assent):

1. That the forward plans be noted;
2. That an item on the three transport decisions be placed on the agenda of the next meeting of the Committee to be held on 25 August 2020.

## 256/20     **AREAS OF FOCUS**

The Committee considered the items scheduled for the next meeting. The Chair invited additional suggested items for the 25 August 2020 meeting.

Members referred to the briefing papers on Coronavirus and Business Compliance and unauthorised encampments and requested that these be placed on the agenda.

**Resolved** (by assent):

That items on Coronavirus and Business Compliance, Unauthorised Encampments and an update on Covid-19 be placed on the agenda for the 25 August 2020 meeting of the Committee.

## 257/20     **DATE OF NEXT MEETING**

The next meeting would be held on Tuesday, 25 August 2020, with a special meeting having been arranged for 3 August 2020 to consider the call-in of the decision taken by Cabinet in respect of: Future of Stanleys Nursery Birchills.

There being no further business, the meeting terminated at 7.58 pm.

Chair.....

Date.....